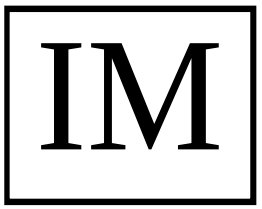


Information Management and Knowledge Management (IMKM)

Lecture 13
Q&A Session

TUM

Chair for Information Systems

Lecture Schedule

Information Systems Strategy

Business Value of IT

- Business IT Alignment
- Guest Lecture: Digital Leadership and the CIO Role
- IT-enabled Strategies
  - Digital Platforms

Information Management

- IT Controlling and IT Governance
- IT Sourcing and IT Offshoring
- IT Security, Privacy and Risk Management
- Guest Lecture: Natural Language Processing for IM

Knowledge Management

- Basics
- Tools
- Guest Lecture: Applications

Evaluation

Lectures

- **Basics**
- **Research Results**
- **Practical Insights**

Final Exam (90 points, 90min)

- Part A: Knowledge and understanding
- Part B: Application and analysis
- Part C: Discuss and evaluate

Exercises

- **Case Studies**
- **Discussions**

Grading bonus (0.3)

- Present case solutions
- Discuss different solutions
- Participate in Business Game (one session in 01/21)

General Exam Information

- Is it allowed to use external resources or is only the lecture notes allowed?
  - *It is allowed to use the slides, your notes, the book and other recommended literature, as well as an English dictionary*
- Do we have to cite people we use in our argument?
  - *No. The exam is not a scientific thesis.*
- Are guest lectures relevant for the exam?
  - *Not directly, but they might help you better understand the lecture content and provide examples for your solutions.*
- Are papers and presentations from the exercises relevant for the exam?
  - *Not directly, but they might help you better understand the lecture content and provide examples for your solutions.*

General Exam Information

- Can you explain how long answers do you expect at the exam? In the sample exam, most of the questions can have essay-like answers, but it is time-consuming to write lengthy answers, and our time is limited.
  - *Short, precise answers are the best answers ;)*
  - *You don't need to write prosa, bullet points are fine!*
  - *E. g. if you are asked for 4 arguments, provide 4 very clear and precise bullet points*
- How much of our own opinion should be brought in the exam? Only rely on the facts from the lecture or show own opinion?
  - *The exam will ask for explanations, arguments, and discussions. So, if you provide your own opinion, you need to provide valid arguments, explanations and examples for it. Hence, your answers should be based on arguments, examples and/or lecture concepts.*

Do platforms that allow multi-homing often end up in winner-takes-all markets?

E. g. if we consider Android and iOS, it would be likely possible to end up with only one platform if interoperability between them was enabled.

Allowing multihoming

- *Low switching costs*
- *Low multihoming costs*
- *Prevents winner-takes-all markets*

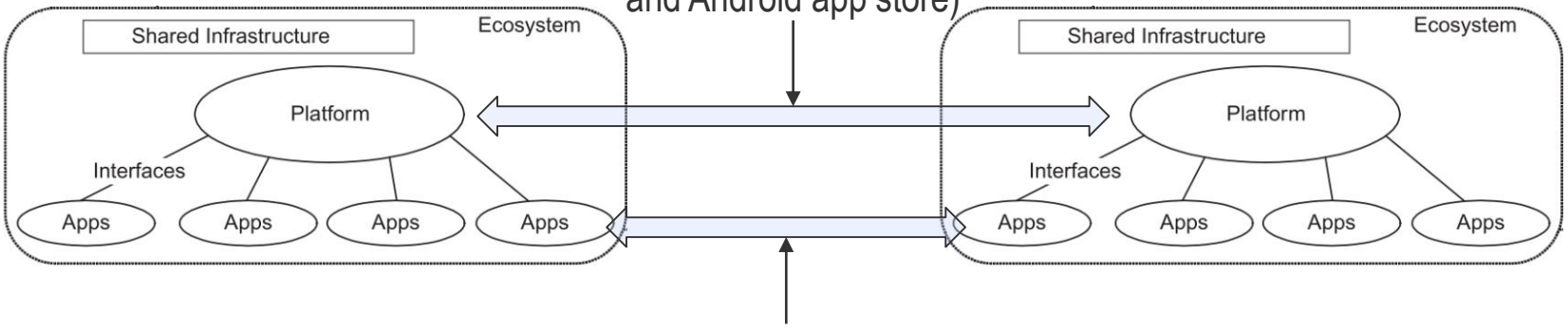
*With high switching costs, you rather **stick to one platform**, which might become the one and only "winner".*

Multi-sided Market Business Model Characteristics: Competition *Between* Platform Ecosystems

Competition between platform ecosystems under strong network effects evoke **winner-take-all** or **winner-take-some** markets

Platform level:

interoperability vs. exclusivity (e.g., iOS and Android app store)



User level:

single- vs. multihoming

Multihoming in platforms refers to when a platform participant on either side participates in **more than one platform ecosystem**
Example: using Netflix **and** Disney+ or
providing apps for iOS **and** Android app stores

Tiwana (2014)

Multi-sided Market Business Model Characteristics: Winner-take-all

- Four forces often characterize winner-take-all markets:
  - Supply-side economies of scale (scale leads to lower cost per unit)
  - **Strong network effects**
  - **High multihoming or switching costs**
  - Lack of niche specialization

Google

NETFLIX

facebook

amazon

Parker et al. (2016, p.224 - 228)

What is the relationship between IT governance and corporate governance?

What is Corporate Governance?

Corporate governance is the system by which business corporations are **directed and controlled**. The corporate governance structure specifies the distribution of **rights and responsibilities** among different participants in the corporation, such as the board, managers, shareholders and other stakeholders, and spells out the **rules and procedures** for making decisions on corporate affairs.

By doing this, it also provides the **structure** through which the company **objectives are set**, and the **means** of attaining those objectives and **monitoring** performance.

➢ *Focus on **business/ corporation** as a whole*

OECD (1999)

IT Governance

"IT governance represents the **framework for decision rights** and **accountabilities** to encourage desirable behavior in the use of IT"

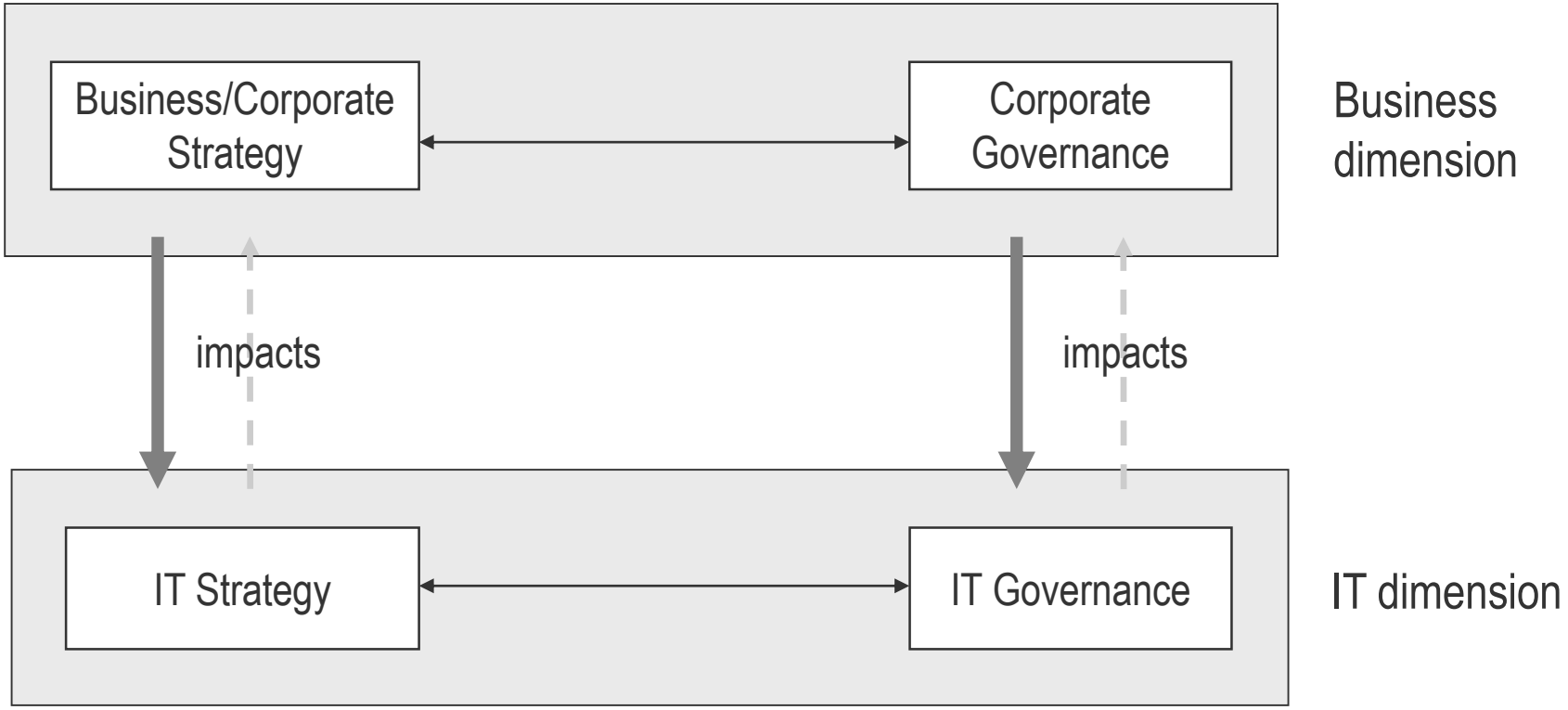
Weill & Woodham (2002), cited in Krcmar (2015), p. 444

"IT governance is not about what specific decisions are made. That is management. Rather, governance is about systematically determining who makes each type of decision (**a decision right**), who has input to a decision (**an input right**) and how these people (or groups) are held **accountable** for their role. Good IT governance draws on corporate governance principles to manage and use IT to achieve **corporate performance goals**."

➢ *Focus on **how IT is managed and used** in an organization.*

Weill & Ross (2004)

From Corporate Governance to IT Governance

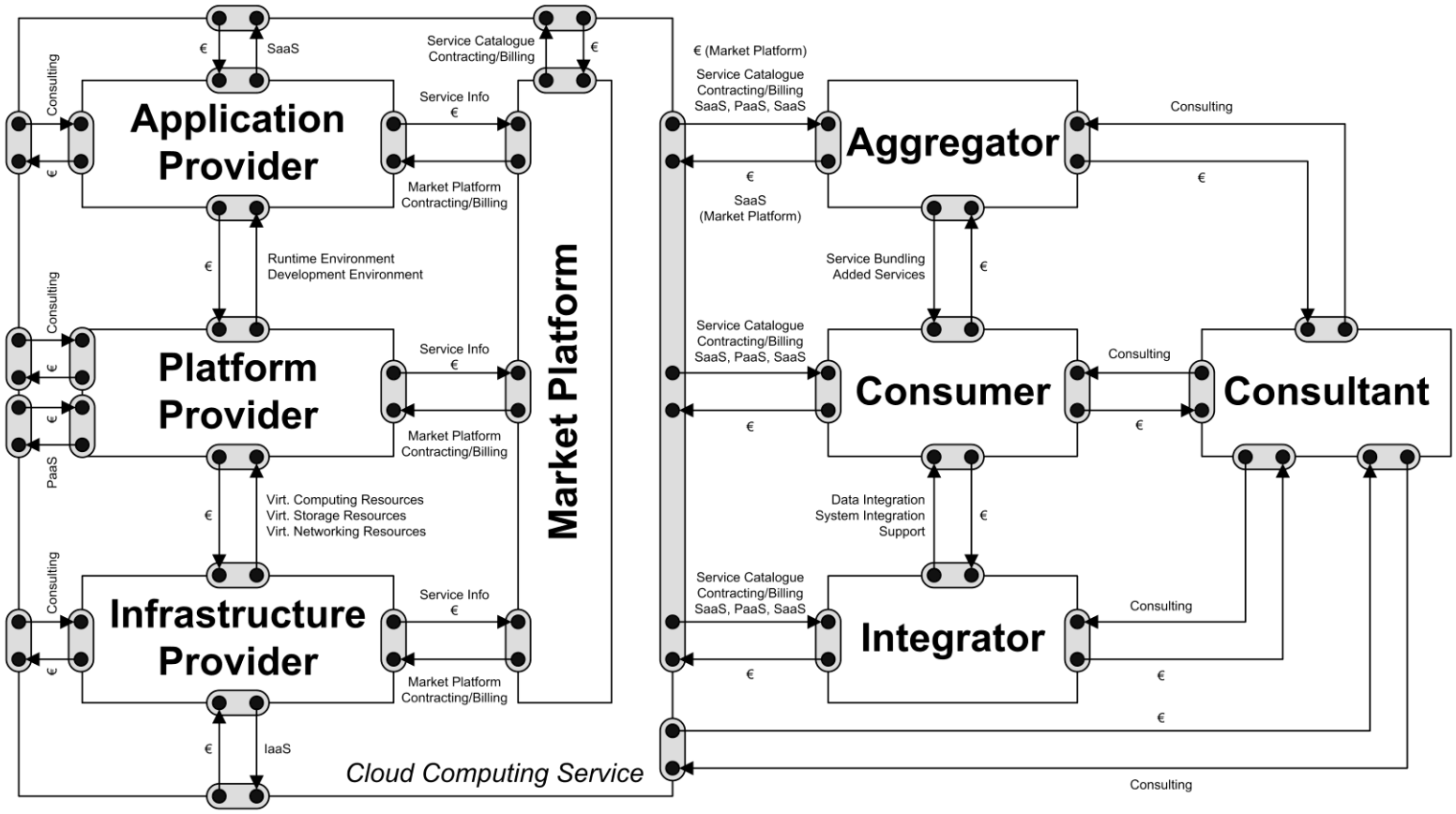


What is the difference between an aggregator and a market platform?

Referring to the e3-value model of cloud computing

(Lecture 08 – Slide 32)

Cloud Computing can lead to Complex Outsourcing Relationships



Böhm et al. (2010)

Cloud Computing can lead to Complex Outsourcing Relationships

One organization can have **several roles** in an ecosystem.

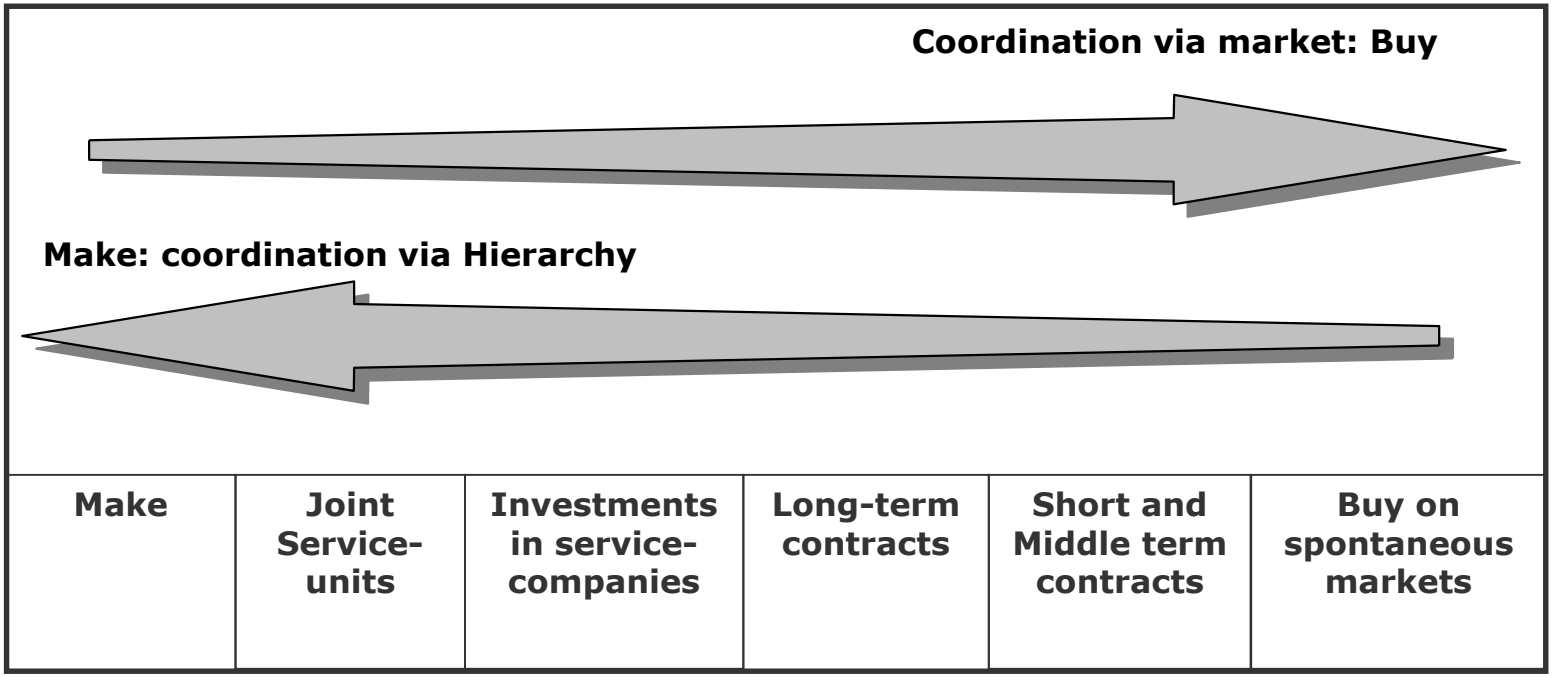
- **Aggregator**
  - *Type 1:* Combines existing services, created by different providers into a new service.
  - *Type 2:* A value added reseller - adds value on top of a given service to ensure some specific capability. E. g. add-ons or new services.
  - *Type 3:* Categorizes and compares cloud services from different providers, user specify criteria and get the best solution for their needs → might also fit the role of the market platform.
- **Market platform**
  - a marketplace offering various cloud computing services of different roles
  - brings customers and service providers together

Böhm et al. (2010)

Outsourcing – Spontaneous buying

- In the aspects of how an outsourcing contract can be configured, we mentioned buying on the spontaneous market as one possibility.
  - Can you provide an example for outsourcing with buying spontaneously?
  - Could an example be buying Microsoft office licenses?
    - ➢ *Yes.*
  - Or is buying on spontaneous markets an extreme case that is not included in the option for outsourcing because it is one-time interaction?
    - ➢ *Yes, it is an extreme case and typically not considered as "actual" outsourcing.*

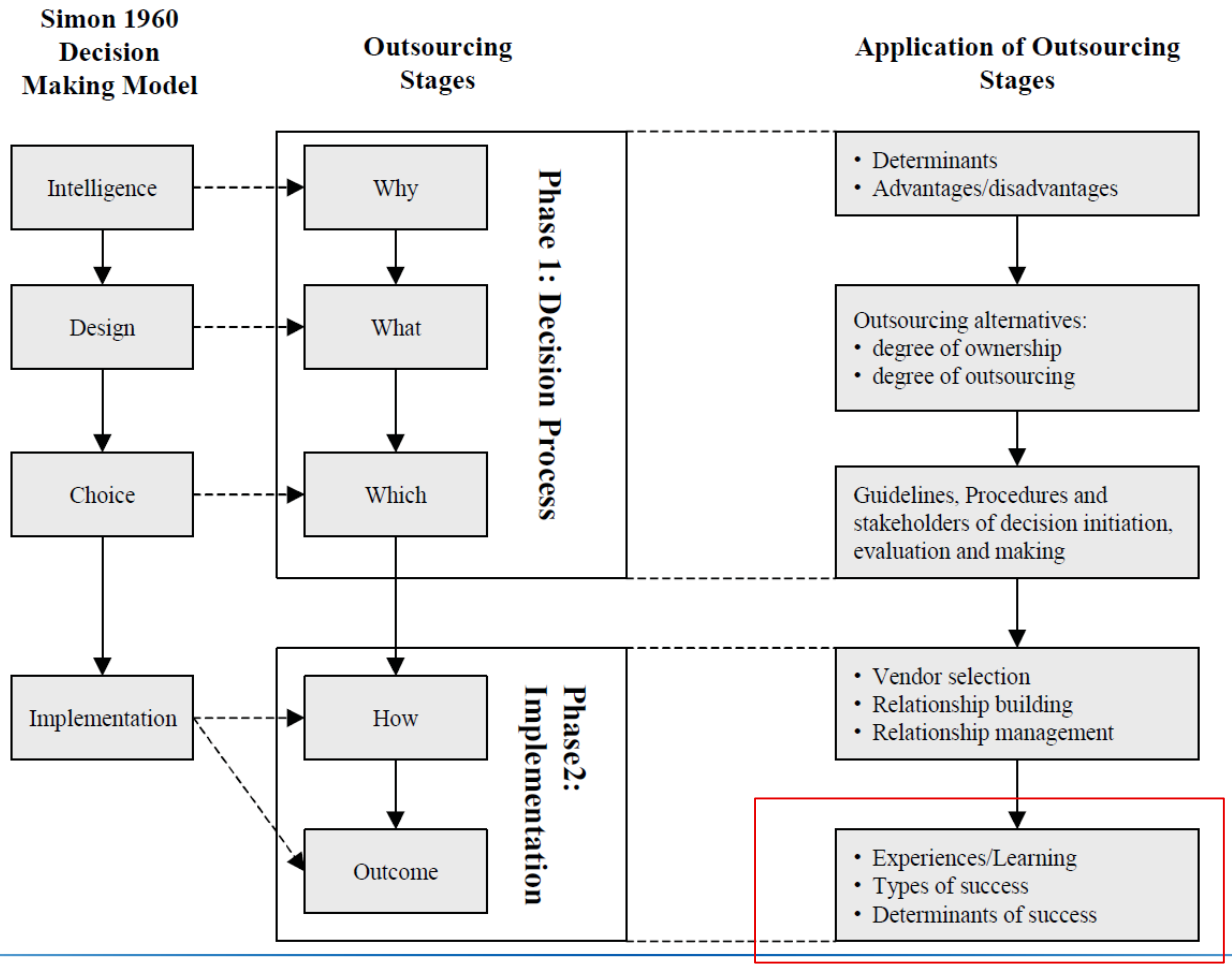
Institutional Continuum



Adapted from Picot & Maier (1992)

What are types of success and determinants of success as an outcome in the stage model of IS outsourcing from a client perspective?

Stage Model of IS Outsourcing – Client Perspective



Dibbern et al. (2004)

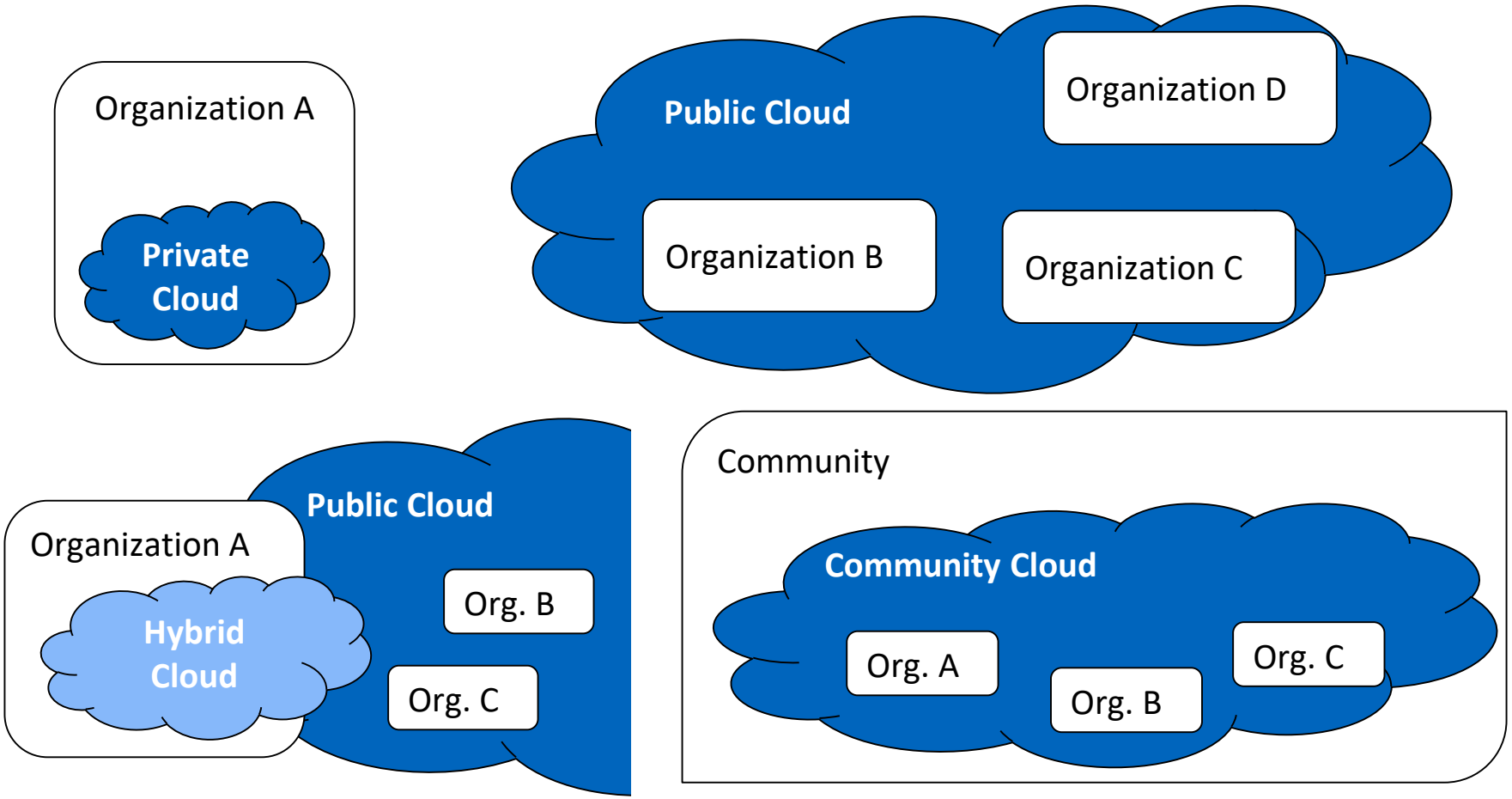
Examples of success and determinants of success as an outcome

- employee behavior
- client satisfaction
- vendor satisfaction
- financial outcomes
- perceptions of outsourcing from different stakeholders
- risk

Dibbern et al. (2004)

What would be examples of companies that use the private and hybrid cloud? And what is the difference between private cloud and on-premise solutions?

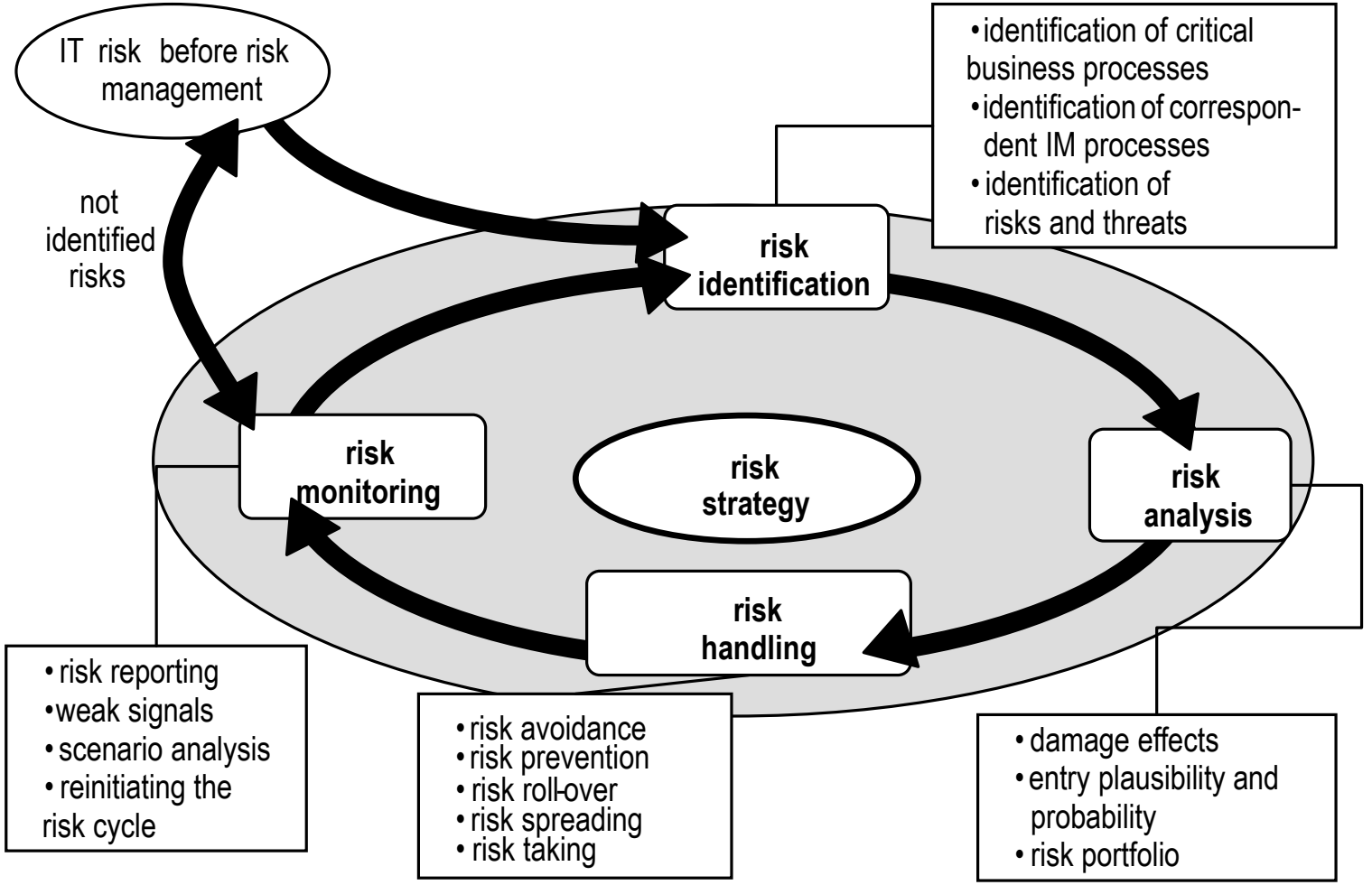
Types of Cloud Computing



Armbrust et. Al (2009); Briscoe & Marinos (2009)

What is the difference between risk avoidance and risk prevention?

Risk Management Process within Information Mgt



Krcmar (2015), p. 532

What is the difference between risk avoidance and risk prevention?

Risk avoidance

- Extreme case of risk reduction to a residual risk of **zero**
- Predominantly in the case of risk classification "very high" or "high
- e,.g., abolition of a system, termination of the project

Risk prevention

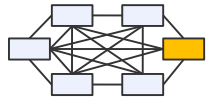
- Reduction of **occurrence** plausibility and reduction of **damage** effects
- Active influencing of causes as well as anticipatory action of information management
- Mainly in case of risk classification "high" or "medium"
- Introduction of redundant systems, backup of data

Krcmar (2015), p. 532

What‘s the difference between "Lessons learned" and "Best practice sharing“?

Le12 + Examples

Example: Lessons Learned
(very specific, typically bound to one project)



Systematic **documentation** and processing of **experiences** in an organization to systematically learn from those previous experiences.

Example

Xerox: Shared database with tips of and for technicians to fix printers

Pro

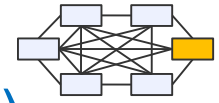
- Preserves knowledge for the organization
- Avoids extra or duplicate work
- Reduces training time of new employees

Contra

- Additional effort for documentation
- Requires willingness of employees to share **and** use knowledge
- Management must plan in time and promote an open failure culture

Lehner (2009), p. 189

Example: Best Practice Sharing
(aggregated lessons learned, more general methods)



Document the **best possible solution** (in terms of efficiency or effectiveness when compared to others) to a given **problem** with the aim of replacing existing processes by best practices.

Example

Texas Instruments: **Best Practice Sharing Facilitators** to find, document and communicate best practices and promote sharing tools.

Pro

- Increase efficiency and/or effectiveness
- Solutions are proven in practice

Contra

- Often lack generalizability (too contextual or specific to **an organization**)
- Too strong focus may be limiting, ignoring other types of knowledge (e.g. customers)

Lehner (2009), p. 190; Davenport & Prusak (1998), p. 169

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