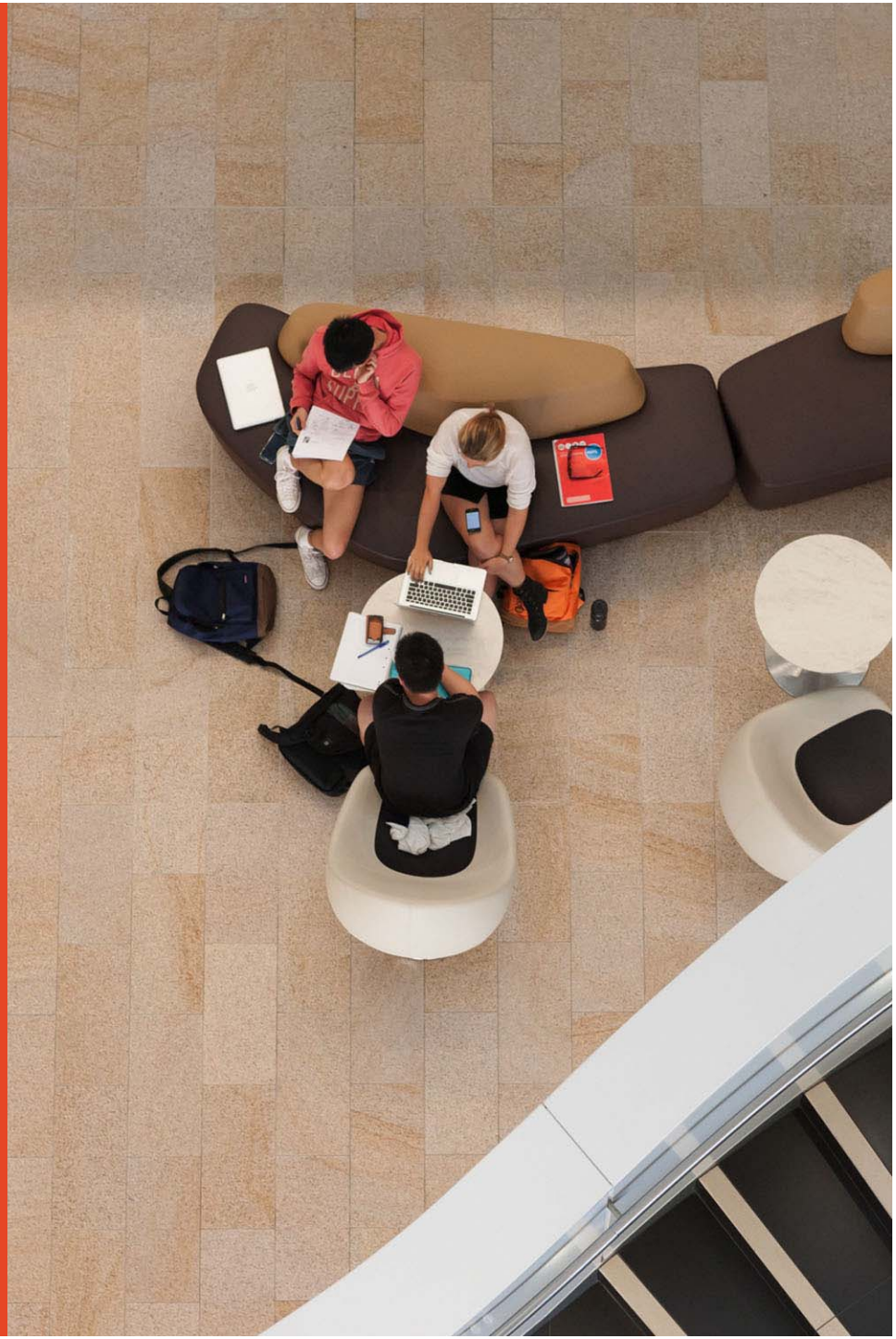
INFO5991 Services science management and engineering (SSME)

WEEK 3:

1. **The specialised enterprise**
2. **Your IT strategy for the Bank**



THE UNIVERSITY OF SYDNEY

School of Information Technologies

Today

TOPICS

- Changes to Guest Presenters
- The specialised enterprise
- Assignment 2 preview
- Tutorials

OUTCOMES

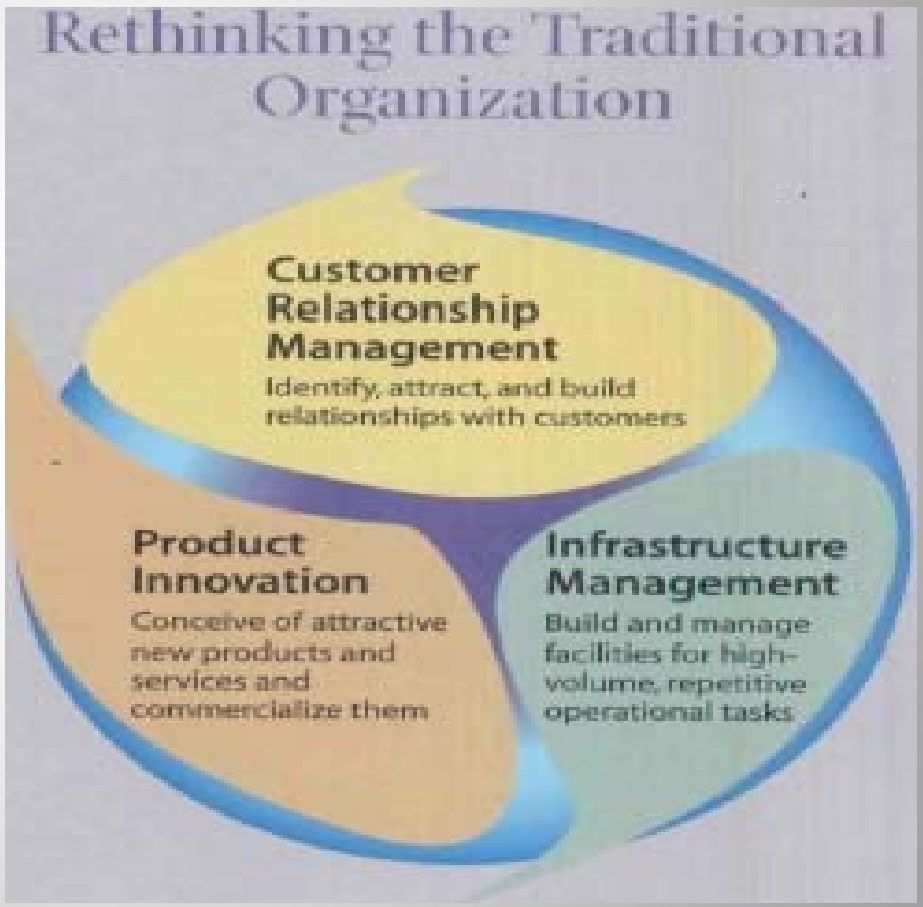
A service a means of delivering value to customers by facilitating outcomes they want to achieve without the ownership of specific costs and risks

Specialisation – the Lego house

HAGEL, J. & SINGER, M. (1999) Unbundling the corporation. *Harvard Business Review, 77*, 133-141

Specialisation

- Typically, generalist organisations consisted of three kinds of business, because that achieved the lowest transaction costs



HAGEL, J. & SINGER, M. (1999) Unbundling the corporation. *Harvard Business Review,* 77, 133-141

Unbundling the corporation: specialisation and XaaS

However the ongoing and capital costs of doing this can be high as the organisation needs to specialise in all three kinds of business i.e. it is difficult to optimise scope, speed and scale simultaneously.

Advances in networks, standards, commoditisation of processes and other barriers to interaction, are lowering the transaction costs of unbundling and partnering in the market

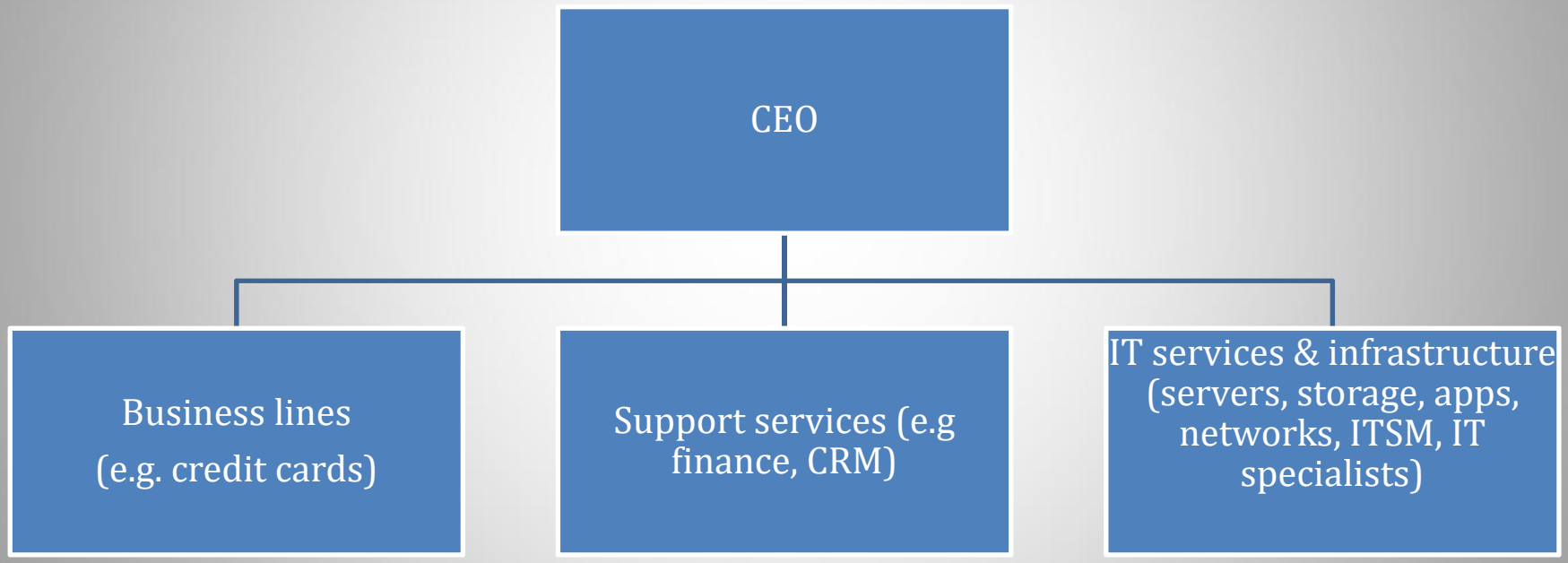
This will lead to agile, dynamic, specialised providers (and aggregators), i.e. services
E.g?. …….. Alcohol?
.

e.g. Procter and Gamble

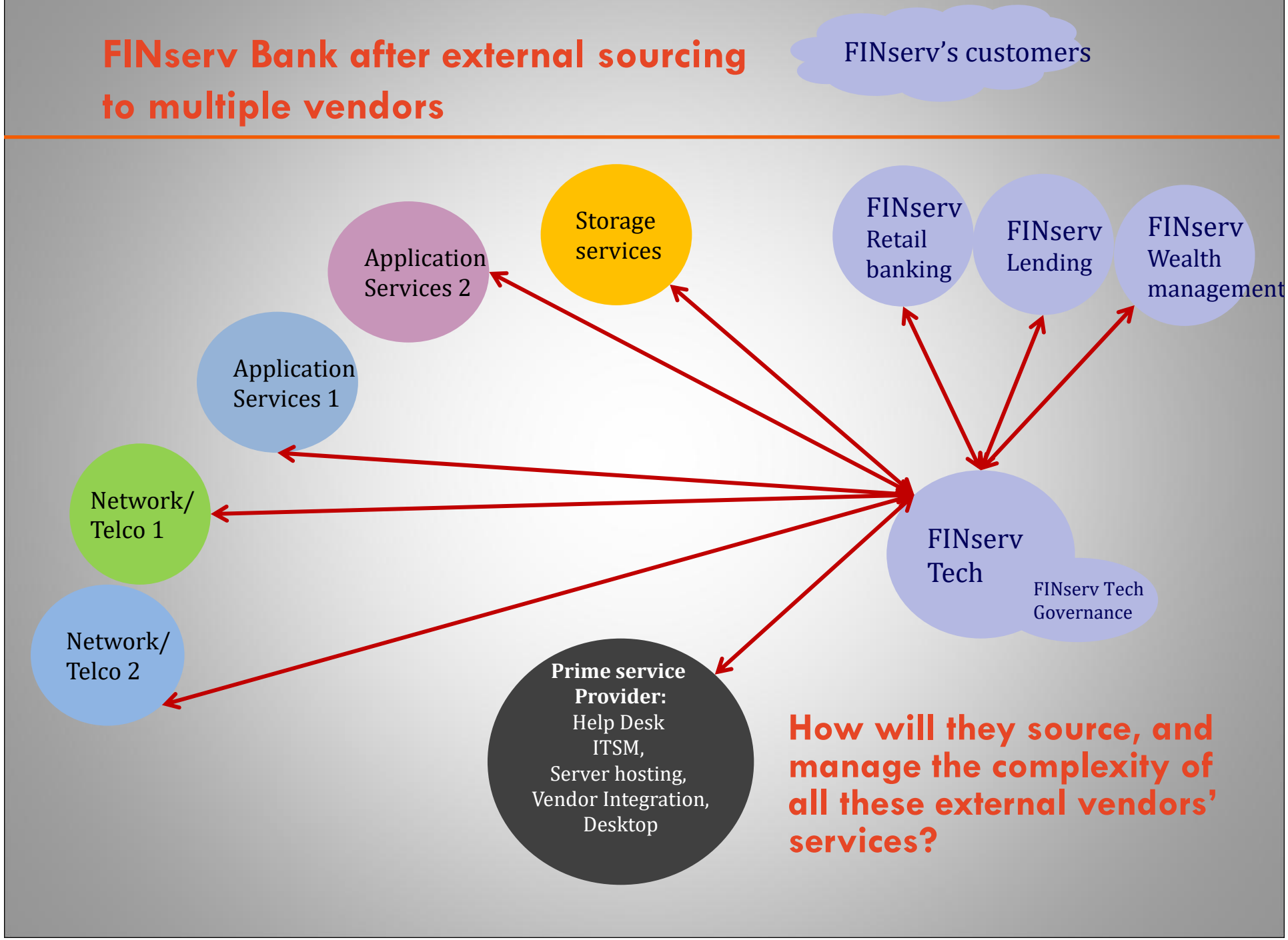
- Procter & Gamble , a Fortune 500 company specialised internally
- Consolidated all back-office functions (finance, accounting, HR, facilities management, IT into Global Business Services (GBS)– a service provider to other parts of the company
- Then outsourced any activities in these which were non- strategic and could be done better by someone else
- Innovated by switching to a service-oriented business model

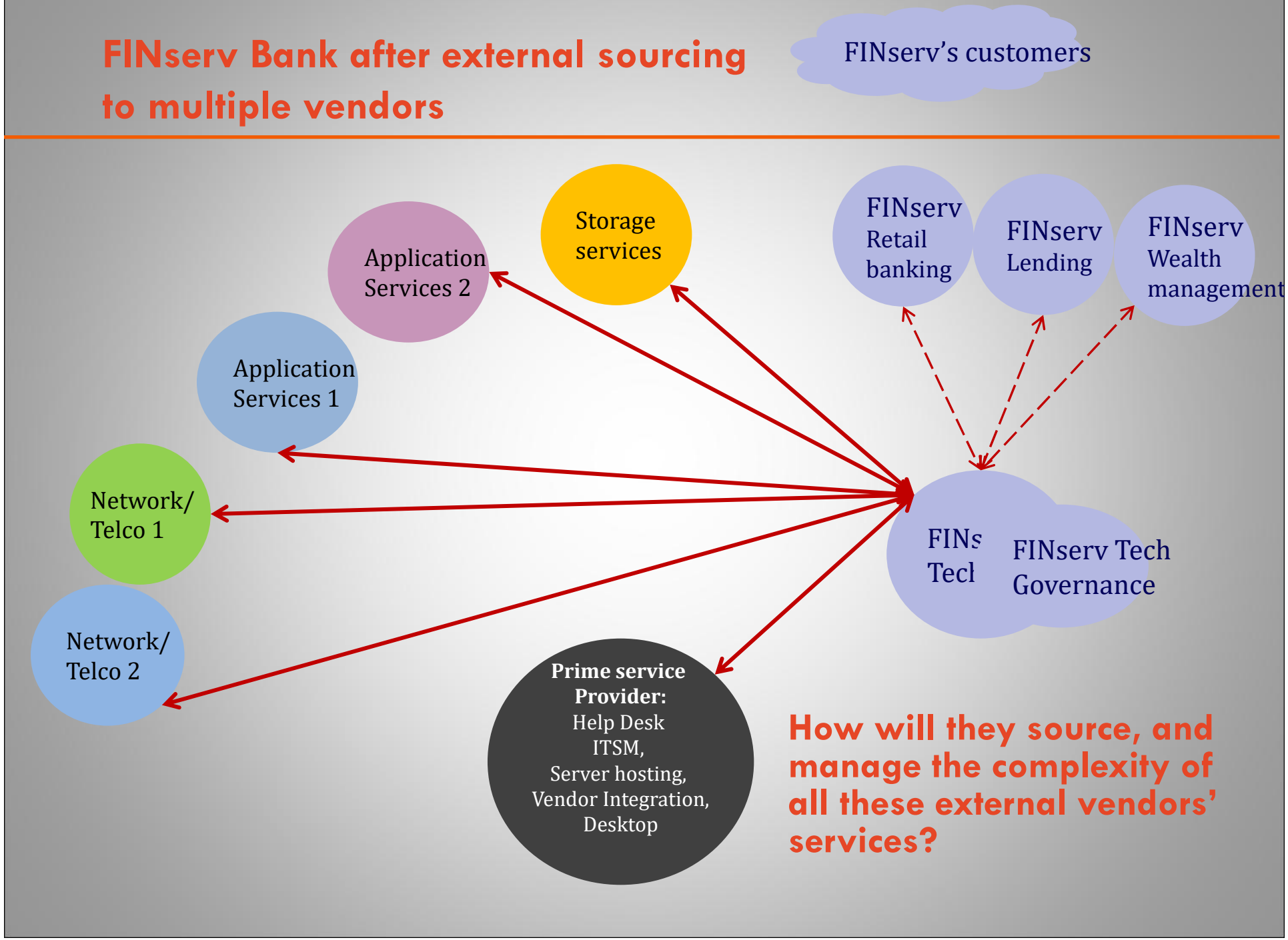
Bloch, M., & Lempress, E. C. (2008, July 2008). From internal service provider to strategic partner: an interview with the head of Global Business Services at P&G. *McKinsery*

FINserv Bank an example of contracting specialised external services



FINserv Bank after external sourcing to multiple vendors



How will they source, and manage the complexity of all these external vendors' services?

FINserv Bank after external sourcing to multiple vendors