

Strategic Information Systems Arrangement: (Business Strategy of IS/IT Arrangement)

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Abstract: The aim of the study is Strategic Information Systems Arrangement using information systems requires an understanding of the organization, management and the technology forming the systems. As the technology is developing extremely so are the opportunities to prepare the organization in the competitive advantage environment. In order to manage the IS/IT based systems; it is important to have a suitable strategy that defines the systems and provide to manage them. Strategic Information Systems Arrangement (SISA) is an effective method of developing and protection the IS/IT systems that support the business functioning. Arrangement of the IS/IT plans and the business plans is essential for improved business discharges, this research looks at the essential element of SISA in the changing business circumstances in Iran.

Keywords: Information systems, IT/IS arrangement, strategy planning

INTRODUCTION

It is known that information knowledge is essential for managers. As well as organizations need information systems to remain and do well, information systems can help them enlarge their reach, offer new products and better services. An information system is an allow technology and if it is not controlled and lined up with the organizational business strategy, it will deactivate the organizational ability in the competitive advantage (Kearns and Lederer, 1997). To combine into a straight forward working business system and improve productivity, managers ought to arrange their Information Systems with the business strategy. Strategically placing IT/IS within the organization connected moving IT/IS experts into business groups, making business-related experts activities required for IT/IS experts, sending IT/IS experts to external business incidents and hiring candidates with extensive academic cultures into junior-level IT/IS analyst positions. On the business side, they supported bringing non-IT experts into IT/IS roles and requiring business managers to get involved in incidents introducing new IT/IS and to discharge successions in IT/IS scheme environments (Bhatnagar and Ankit, 2007). IS a foundation demand can also create a competitive advantage on the basis of the generic strategies of cost leadership; product differentiation and market focus (Laudon and Laudon, 2006; Henderson and Venkatraman, 1999; Kearns and Lederer, 1997). Managers cannot overlook information systems because they play such a critical role in modern organizations. Systems directly affect how managers ecide, plan and manage their employees shape what

products are produced and where, when and how (Laudon and Laudon, 2006). In modern systems there is: Growing interdependence between organizational business strategy, rules and procedures and the organization's information systems (Issa-Salwe, 2010). The reason of Strategic Information Systems Arrangement (SISA) is to help implement information systems to combine with its business strategy. It supports in transforming information into a usable form for coordinating the workflow within the organization and helps in decision making and solving other problems (Laudon and Laudon, 2006).

STRATEGIC INFORMATION SYSTEMS ARRANGEMENT

It is identified that information systems knowledge is essential for managers because most organizations need information systems to remain and do well. In the modern times, information systems have become an essential part of all types of business as information systems provide the opportunity for organizations to combine with their business strategy (Lachlan, year). A strategic plan is not the same as a functioning plan. Sometimes should be wisdom, conceptual and instruction in contrast to a functioning plan which is likely to be shorter term, tactical, focused, implementable and measurable. Kearns and Lederer (1997) stating that the traditional or logical procedure can be suitable under such conditions" (Kearns and Lederer, 1997; King and Teo, 2000). King and Teo (1997) suggested that Information systems planning is

becoming important as the “organizations try to force IS demands to improve efficiency, reengineer business procedures, gain competitive advantage and participate more effectively”. It was interesting to know that there was no particular strategy being used for the development of plans (King and Teo, 1997). King and Teo (1997) reported that there is no actual model or theory available for developing the IS plan ..., but we have to keep the IT stuff trains up to date and fully aware for the new technologies, along with the business necessity and requirements. From a business perspective, an information system is an organizational and management solution, based on information systems, to a challenge raised by the environment. To the information systems, a manager must understand the extensive organization, management and information systems proportions of systems and their power to provide solutions to challenges and problems in the business environment (Bhatnagar and Ankit, 2007). Management necessity to know what evaluation methods are already in place for arrangement to be achievable. IS strategy can be defined as a strategy to implement information systems that identifies organizational necessity, in other words ‘demand’ for the information and systems to support the entire business strategy and its plan to gain or keep the advantage (Bhatnagar and Ankit, 2007). An IS strategy should include the business necessity for the future arranged closely to the business strategy. It should also define and main consideration the investments needed to realize the demand portfolio. Matthes *et al.* (2008) stated that Strategic Information Systems Planning has been defined as “a procedure of identifying the IS requirements of an organization at a high level”. Plazaola *et al.* (2007) describe strategic information systems planning as “the procedure of identifying a portfolio of computer-based demands that will facilitate an organization in accomplishing its business plans and realizing its business goals.” Franke *et al.* (2010), Dhillon and Backhouse (2000) and Zachman (1987) suggest that SISA provides an understanding of the information needed to realize business objectives and implement the systems. Before setting an information systems structure, IT/IS experts should set an IS planning structure that induces all the essential elements needed to be able to come up with an IS strategy that would surely work and be rational in the arrangement of the corporate strategy (Bhatnagar and Ankit, 2007). According to Bhatnagar and Ankit (2007) there are different structure for IS planning which lead the planner the right direction. Strassmann (1998) defined Arrangement as “the capacity to show a

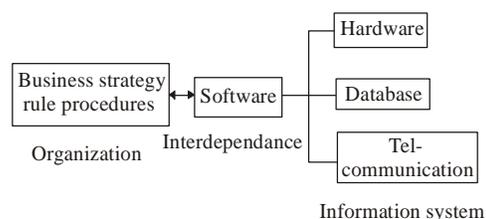


Fig. 1: Laudon and laudon (2006)

positive relationship between information systems and the accepted financial evaluate of discharge”. One of the most extensively used models of arrangement is the Strategic Arrangement Model proposed by Henderson and Venkatraman (1999). This multidimensional model (Fig. 1) identifies the internal and external proportions and how these can be combined functionally with the organizational strategy (Henderson and Venkatraman, 1999; Strassmann 1998). Basically, the majority of arrangement models are based on the organizational structure and their objectives. This model places arrangement at the center of the organization’s necessity. Many of these models also disclose the influence of the organization’s objectives on the arrangement (Baumöl, 2006; Dhillon and Backhouse, 2000); as this type of model focuses on the link between strategy and technology. To develop an attainable level of arrangement within an organization, the IT/IS reason has to be located within the organizational structure. A direct advantage of strategic arrangement is a perception of higher business value of IT/IS (Dhillon and Backhouse, 2000). Segars and Glover (1998) suggest that arrangement produced by strategically positioned IT/IS improves the stature of IT/IS within an organization. Henderson Venkatraman (1999) is the supporter the significance of strategically positioning of IT/IS within organizations. They argued that successful demands of this model result in organizational possible to force IT/IS resources on a continual basis to support competitive advantage in the marketplace. Figure 2 shows the interdependence between technology and strategy and how this is influenced by the organizational culture. The model shows also the link may also be influenced by internal and external technological and socio-economic environments. This means that the organization may be highly active and arrangement may need to be continually reexamined, observed and adjusted. Managers should expect to realize a good arrangement between information systems and business for flat work of the organization. Many organizations structure IT/IS and information flow in a way to be concentrated thus resulting in the control of information which in turn may result significant power structure within the

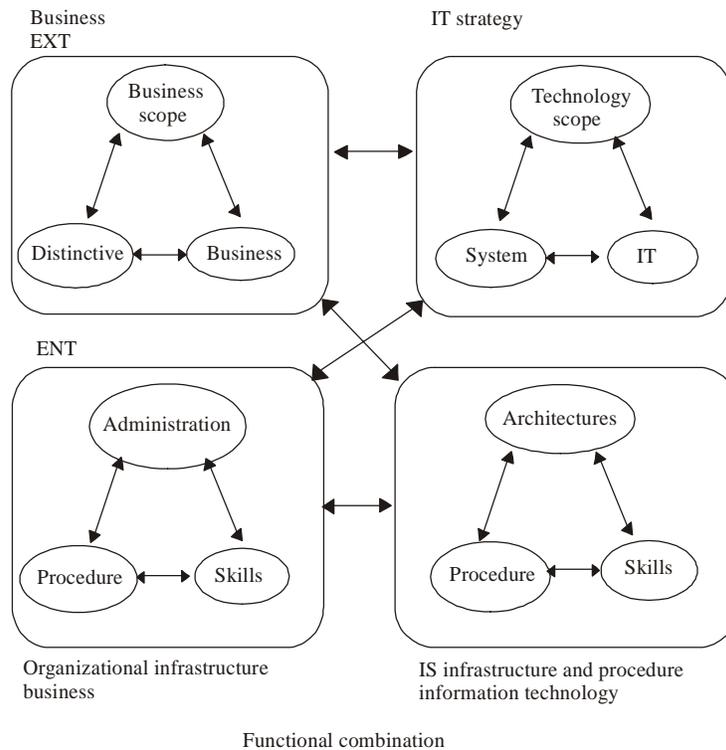


Fig. 2: Multidimensional model

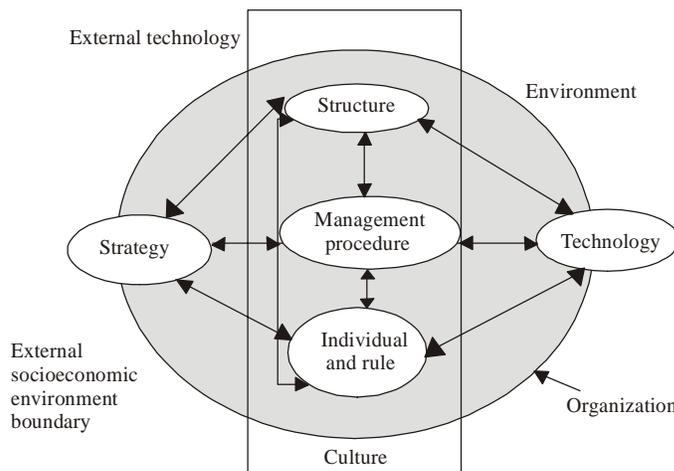


Fig. 3: Five forces influencing the organization's objectives

company (Bhatnagar and Ankit, 2007). While, information systems can provide support how an organization is structured, it can also “concentrate decision-making at a certain level as it increases the capacity to procedure information” (King and Teo, 2000; Bhatnagar and Ankit, 2007). Changes in strategy, rules and procedures increasingly require changes in hardware, software, databases and telecommunications

(Fig. 3). The relationship between information systems and organizations results from the growing reach and scope of system schemes and demands (Laudon and Laudon, 2006). According to Duncan (1995) the arrangement of IS plan and business plan results in information resources supporting the business objectives and taking advantage of the opportunities arising from the use of IS. Aier and Winter (2009) also

state that, “the arrangement of the IS plan with the business plan, is the direct reference in the IS plan to the business plan’s mission, objectives and strategies”. He also suggested that the organizations go through the 6 steps of the IS/IT growth. Each step has four active procedures-demand portfolio, user’s role and awareness, IT resources and management planning. The growth rate is compared with the expenditure. For business and information systems strategies to be arranged it is necessary to clearly define business and IT/IS goals and review the formulation of these goals (Slater, 1999). It is important for arrangement that IT/IS experts be connected during business planning and business experts to be connected during IT/IS planning (Bhatnagar and Ankit, 2007). At the early steps of any information systems scheme, the scheme must disclose its link to business plans and how this is to line up with corporate reason (Bhatnagar and Ankit, 2007). The IT/IS scheme plan must constantly be reviewed to allow the arrangement to adapt with the changing business environment. At the planning phase of an information systems scheme it must be ensured to be arranged with business objectives. It is also important to implement discharge evaluate and targets and evaluate discharge before and after implementation. The arrangement of IT/IS with business strategy may need the organization to modify various characteristics of the organizational business functioning, structures and cultures (Bhatnagar and Ankit, 2007). The realization of such success for arrangement will mainly depend on the success of the organizations capacity to manage this change. The level of change to improve and arrange business with IT/IS strategy will depend on the situation of the organization and the degree to which arrangement is already present (Bhatnagar and Ankit, 2007; Henderson and Venkatraman, 1999). Technology is an important aspect in the arrangement of information systems with business strategy. This is dependent on the type of information systems infrastructure used as a resource to facilitate in granting business goals. Slater (1999) argues that in arranging infrastructure with business strategy it is the hardest when changing business strategy and information systems infrastructure.

RESULT ANALYSIS

In this research data included the questionnaire to the IT/IS and business managers of six companies and their views are compared with the literature and the available business documents for answering the research questions. The questionnaires were sent to the IT and a business manager of six companies and other data was collected from the company websites and

annual reports. The data collected from the companies is being compared to the research findings. The significance of this study is totally based on the selected 6 companies. Therefore, it would be unacceptable to compare the results between the companies and their industry sector. Strategic systems help management equipment and address strategic question and long-term trends, both within the organization and in the external environment. Principal concern is parallel organizational possible to changes and opportunities, occurring in the medium to long term (i.e., 8-15 years) in the external environment. There are certain procedures that are common to all businesses, with some being industry specific. When providing a solution, the companies identify the key business procedures that affect the functioning of the business function. One administrative replies this way, “most of the planning depends on the customer necessity and based on the customer business and most of the planning based on the business moreover reduces the risk.” Here the six companies showed their care for customer satisfaction as the key to the business strategy. On the planning side, the study finds some of the similar results of Bhatnagar and Ankit (2007) as the management of the organizations are responsible for the planning and the implementation of the information systems. The IT/IS administrative do the planning and implementation of the IS/IT and the senior business functioning managers who formed the administrative committee provided them with the business directions and the opportunities. IT/IS facilitate in influencing information towards organizational success. The construction of a strategic plan is a multi-step procedure covering observation, mission, objectives, strategies, goals and programs (Bhatnagar and Ankit, 2007). The first step is to develop a realistic observation for the business. The companies effects the IS/IT implementation as some try to, “find the solution for the customer to fit his necessity and requirements, for the available IT vendors, if not try to develop some products based on the necessity, based on our understanding.” Most of the planning depends on the customer necessity and is based on the customer business as most of our customers are looking to the IT as ROI, so our main aim is to use the IT to meet the customer’s necessity and for business continuity and cost reductions. And most of the planning is based on the available solutions and how to save the business and reduces the risk. Most of the effects are optimistic and facilitate the companies realize their business goals. The companies improve their participating and efficiency by the means of implementation. Change management is the procedure of facilitating individuals and organizations passing from an old way of doing things to a new way of doing things. Information

Technology can be both a cause of a major change in doing business and a response to them. A New system is more than the hardware and the software. It is also the people and organizational considerations. Remarkable new systems require cultural change. People are often ready to change, but they are against being changed. With effective communication and training, they control this effect. Lack of success can be avoided by effectively managing the changes. Problems that happen when implementing a new information system can be discovered to insufficiencies in the development procedure.

CONCLUSION

IT-business arrangement remains a critical problem in IT/IS management. This research has provided an analysis of the frame of reference of this problem, investigating and suggesting possible solutions to it. Six companies that have been identified in the research as prescriptive evaluate to improve the IT-business arrangement are the elevation of the IT/IS function to a strategic level in the organization, full combination of IT/IS strategic planning with the business strategic plan and direct support for the corporate observation in strategic IT/IS enterprise. The business administrative follow the significance of IS/IT systems. The final benefits that the companies could get are improved business procedures, improved effectiveness of the business procedures and increased customer satisfaction. However, to follow the benefits, the business procedures need to go through certain changes and there have to be ways to modify to the effects of the implementation procedure. It can be said that, the IS/IT systems are being used to automate the business procedures and companies are using the systems to improve the efficiency and effectiveness of the business activities. The finding and the end result of research studies carried on six IT/IS business managers of the six Iran companies have disclosed some interesting characteristics to the procedure of IS/IT and business planning. According to the finding, there are some similarities in the pattern of planning between the companies. All the six have shown customer satisfaction. Companies review their strategies by emphasizing customer satisfaction as a major business objective. This shows how planning is considered as a major input from customer satisfaction. Nevertheless, IT managers check with the business management to determine business procedure requirements and direction for the planning and implementation of IS/IT plans. The results of the IT related questionnaire show how IT is still allow to the business, rather than a transformer. IS/IT systems still work as support systems instead of being part of the business procedures.

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