Unit 4

Q1) Impact of Information technology in an organization :- / Modern Organizations

Information technology systems are used by organizations to perform various tasks. Some use of IT is to provide for the basic processing of transactions, while others enable customers, distributors and suppliers to interact with the organization through various communication technology systems such as internet.

Some impacts of information technology in an organization are listed below :-

1) Flow of information :- Information is a key resource for all organizations. What information describes might be internal, external, objective or subjective. External information describes the environment surrounding the organization. Objective information describes something that is known. Subjective information describes something that is currently unknown. With information technology the flow of all these three technologies types of information is made simple by use of centralized data centers where all this data can be retrieved. Information in an organization can flow in four direction and these include upward flow of information, downward flow of information, outward flow of information and horizontal flow of information.

2) Transaction processing :- Information technology simplifies the transaction

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process of an organization. A transaction process system (TPS) is a system that processes transactions that occur within an organization. At the heart of every organization are IT systems whose main role is to capture transaction information, create new information based on the transaction information. TPS will update any transaction process and store that information in a database, so any concerned party in the organization can access that information via a centralized information storage network of internet.

3) Decision support :- A decision support system (DSS) is a highly flexible and interactive IT system that is designed to support decision making when the problem is not structured. A DSS works together with an artificial intelligent system to help the worker create information through (OLAP) online analytical process to facilitate decision making tasks that require significant effort and analysis.

4) Workgroup support :- Since information technology facilitates in the creating an information sharing environment, workers can easily consult each other across different department without any interruption. They can use emails, text chatting services to inquire something related to a given task at work. With work group support systems, group decision making becomes easier.

5) Executive support :- An executive information system (EIS) is an interactive management information system (MIS) combined with

decision support systems and artifical intelligence for managers identify and address problems and opportunities. An EIS allows managers to view information from different angles. Yet it also provides managers with the flexibility to easily create more views to better understand the problem or opportunity at hand.

c) Data Management :- With the help of database software, an organization stores all its relevant data on a database. This infrastructure can be designed when it is internal or external. An internal centralized system can only be accessed with in the organization while an external centralized system allows data to be accessed outside the organization using a remote (IP) internet protocol address or a domain name. In this case, employees or managers can access a company data by use of passwords. This data is not exposed to the public and search engines.

d) Communication :- Information technology accounts in the development of communication technology. Services like electronic mail make communication, within and outside the organization easy and first. Nowadays email communication is a default communication technology used by every organization. Communication is a great tool in business develops, with advanced communication tools, employees and managers can easily make beneficial

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decisions in the organization.

[2] Creating New types of Organizations using Information Technology

Business productivity can be traced to an organization's ability to successfully execute on overall strategy. Businesses need engaged and highly productive employees executing on goals that are aligned with the organization's strategic objectives.

And, if execution is the key to a successful business — what are the steps to increasing your business productivity for greater execution on your your strategic goals? How do you know your business alignment and people performance are working at optimal levels to maximize business productivity resulting in the best possible results?

Greatest benefits of business productivity software: Using technology to maximize your business productivity creates the platform to realize true business success. Business productivity software ensures organizations have the tools to overcome the challenges of executing on strategy every day and prospering in today's economic times. Increased business productivity can be traced to the automation of processes allowing for faster communication of strategy, increased time spent on strategic priorities and greater project completion rates.

The following are additional ways business productivity software drives business processes more efficiently to gain optimal results:

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Create an open and communicative environment:- By centrally locating the performance appraisal information within a formal online framework, managers can more easily communicate business strategy and create measurable goals for their employees that will support overall company objectives. It also allows for greater visibility, thereby allowing employees to see the whole picture and understand better how individuals goals fit into the company's business objectives. This creates energized and engaged employees, thereby raising the business productivity of the company.

Connect teams virtually within the company:- Create employee portals and team sites to help people work productively across the organization, no matter what location or team. You will eliminate "corporate silos" that effectively cut off communication because employees can utilize technology to reach out to others working on similar projects or find experts to answer their questions throughout the organization.

Motivate your employees using technology:- Based up on the information gathered in an online performance evaluation, managers can compare current skills with those required for advancement or other recognition or reward opportunities that present themselves as the manager tracks progress on employee goals throughout the year. You may also find you need

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to redirect employees to different departments if you feel their business productivity could increase elsewhere. If there are impediments to better performance, the company should review why it is happening and try to eliminate these through better allocation of resources or additional training.

Monitor business productivity and employee progress goals: Online business productivity software solutions enable managers to more easily track progress during every phase of goal completion and offer immediate reinforcement or coaching to keep performance and deadlines track. This process leads to greater business productivity because your organization is staffed with a workforce of people who are continually learning new skills and being challenged to do their very best. When it comes to the people who work for you, alert, motivated and happy employees will work harder. Encourage your staff by rewarding them for their successes using both monetary and non-monetary incentives.

Analyze performance: Today's technology provides advanced reporting and business analysis capability to help you gain a deep understanding of business performance, customer preferences and market trends. And, your executives and business managers can access performance metrics and analytical reports and use this information to work together to set or redesign strategy.

Conclusion:

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Generally speaking, employees want to be appreciated for their hard work. Business productivity software can bridge the gap in communication and convey to each member of your team that they are valued. With your people working at their highest capabilities and your business aligned from top-to-bottom, you will be creating a workforce that is engaged, productive and loyal. Feeling valued is the key to employee loyalty which leads to greater business productivity.

3.3 Information Technology and Corporate Strategy :-

Senior executives, strategic planners and information systems managers are increasingly turning their attention to opportunities for achieving competitive advantage through information technology in the form of innovative information and communications systems. There are several reasons underlying this recent trend, not the least of which is the publicity received by a few companies that have gained significant advantage through I.T. As well, the unstable economic conditions of the last few years have helped to create a challenging business environment and an "economic imperative" for information technology. The technology is also offering a greater array of capabilities at a lower cost than ever before. Finally, firm's abilities to utilize technology increasingly functional technology are also improving. The

transaction processing and decision support systems already in place in most firms provide a base on which systems for competative advantage can be built. Without this base, many of these systems would not be possible. Several authors have identified the underutilization of information technology for competitive advantage as a serious problem, facing both information systems and business managers. The most often cited causes of this problem include 1) senior managements ignorance of information technology and its potential uses, 2) poor communication between the information systems group and the rest of the business, 3) resistance to change among both information systems and business personnel, 4) lack of focus on opportunities for competitive advantage and 5) a lack of good measures of valuable impacts, which inhibits investment. Many organizational and managerial remedies for these problems have been suggested, ranging from the development of better measures of the efficiency and effectiveness of organizational functions, to major changes in the current structure of organizations. Competitive strategy focusses on competitive moves within the industries in which the organization does business. Business portfolio strategy concerns the choice of which industries to compete in and how to position the organization in those industries.

These components of corporate strategy are closely related to and information

technology can affect all three. For example, a firm in the distribution business may build an online order entry system and place terminals in customers' purchasing departments. This system can improve greatly efficiency of the firms operations, which is an element of internal strategy. The terminal can supply the customer with useful information and by speeding orders can help the customer to reduce inventories. These effects make it more difficult for other distribution firms to compete, and contribute to the competitive strategy of the firm. The order entry system may also be an important asset in other industries, such as mail-order retailing. Thus, the firm might enter this industry on the strength of its technology, which would impact the business portfolio strategy.

The IT strategic plan should include a SWOT analysis of its strengths, weaknesses, opportunities and threats to identify both internal and external factors that can affect IT's ability to contribute to an organization's success. This process will also help analyze the gap between where IT department is currently in achieving its goals and what it wants to achieve. The department can then identify the barriers and the resources needed to bridge the gap.

The SWOT analysis also helps to identify

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any of the company's technological assets that might be an unknown competitive advantage and that the organization should consider leveraging.

Finally, it is important that the IT strategic plan be clear about its ultimate goal, including a list of technology investments that the IT department deems a priority to contribute to the organization's success. However, the plan should be also include evaluations of the company's current IT budget and allocate project-specific resources and responsibilities within the IT department to meet those objectives.

Q4) Creating and sustaining a competitive edge :- whether you're pitching investors or launching a new product, success is more likely if you can create and communicate a sustainable competitive advantage.

Being first to market isn't enough, as someone bigger with something better will come along and leave you in the dust. And it doesn't matter if there isn't a product in the market that's exactly the same as yours. If another company is solving the same pain you're addressing for the same customers - they are competition.

While creating a sustainable competitive advantage is not easy, the following will help ensure you get and remain ahead of the field:

1) Establish Brand loyalty :- Customers will often remain with a brand they have loyalty

towards, even though the company does not offer the cheapest or most effective product. Focus on building strong relationships with your customers and delivering a great customer experience and service.

2) Patent Your Product :- There has been a lot of debate recently about the true value of a patent. While patents are not a cure all, they are an important weapon in an entrepreneur's competitive advantage arsenal.

3) Continually Innovate :- Customers like updates and upgrades. Keeping your product fresh and compatible with the market place (particularly if software), is essential.

4) Hire 'Connected' Team Members :- If your market includes large companies and government departments, connections to key individuals within these organizations can dramatically accelerate your ability to meet and secure contracts. Try to have at least one member on your team who is 'connected'.

5) Use Long Term Contracts and Incentives :- This step has to be executed carefully, as it can back fire. If you can establish a long term contract with your customer, then clearly they are less likely to switch to a competitor. If you only offer long terms contracts, however and your competitors are offering short terms contracts, then you are likely to lose business.

6) Cost leadership strategies :- You could set out to become the lowest cost

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products in your industry.

7) Differentiation strategies :- implies that you want to provide better services or products than your competitors but for the same, or better prices.

8) Focused strategies :- indicate that you intend to be the best in your market niche, trying to create localised rather than industry wide advantages.

Ideally you want to incentivize your customers to enter a long term contract with you, possibly by providing a slight reduction in cost or a bonus. Equally customers are mostly to be willing to enter into a long-terms contract if they have just completed a successful short term contract with you.

Case Study

Apple Inc Vs Samsung Electronics Co.

Apple has a competitive advantage towards Samsung because of their innovative ideas on changing customers mindset by creating a need.

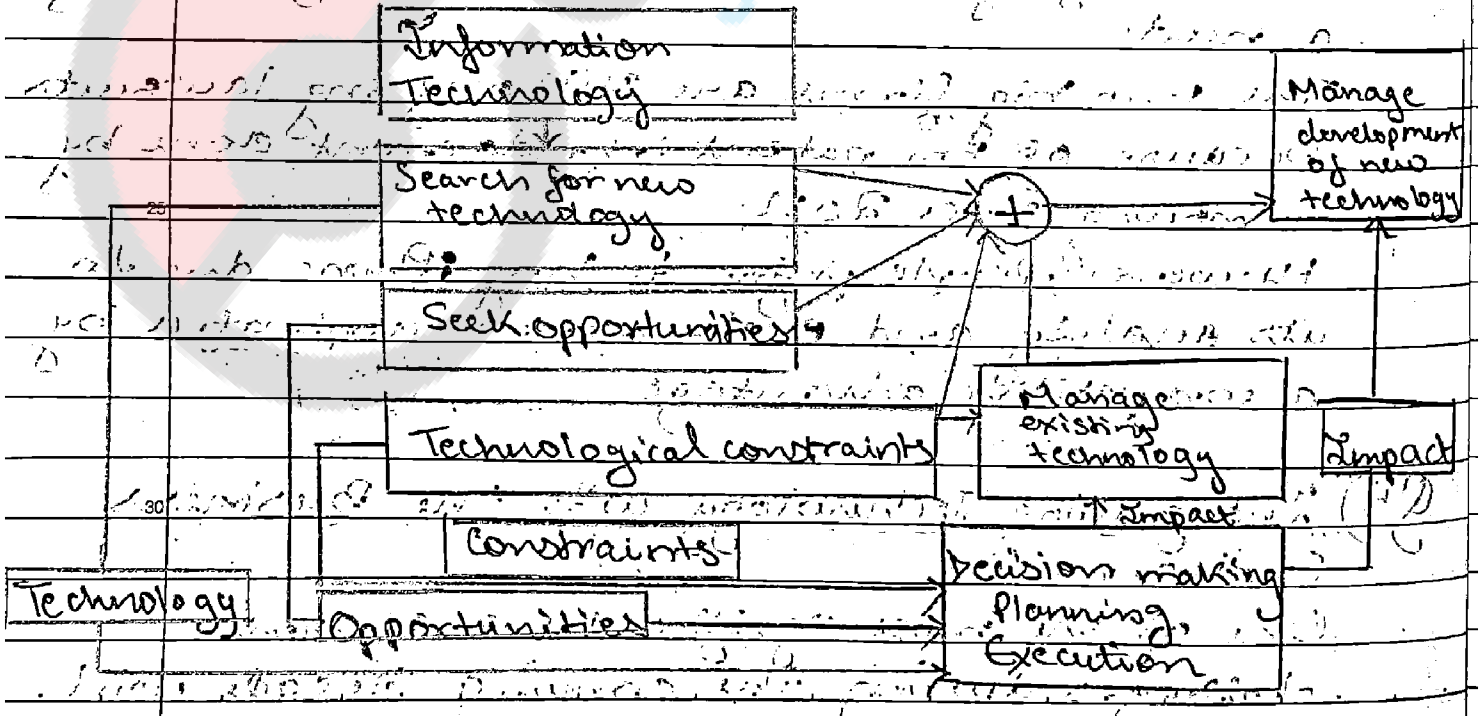
The two big firms are still ongoing lawsuits because of the patent infridgement done by Samsung since 2011.

However, people prefer to buy iPhone due to its quality and exclusiveness generated by a competitive advantage.

Q5) Integrating Technology with the Business Environment :-

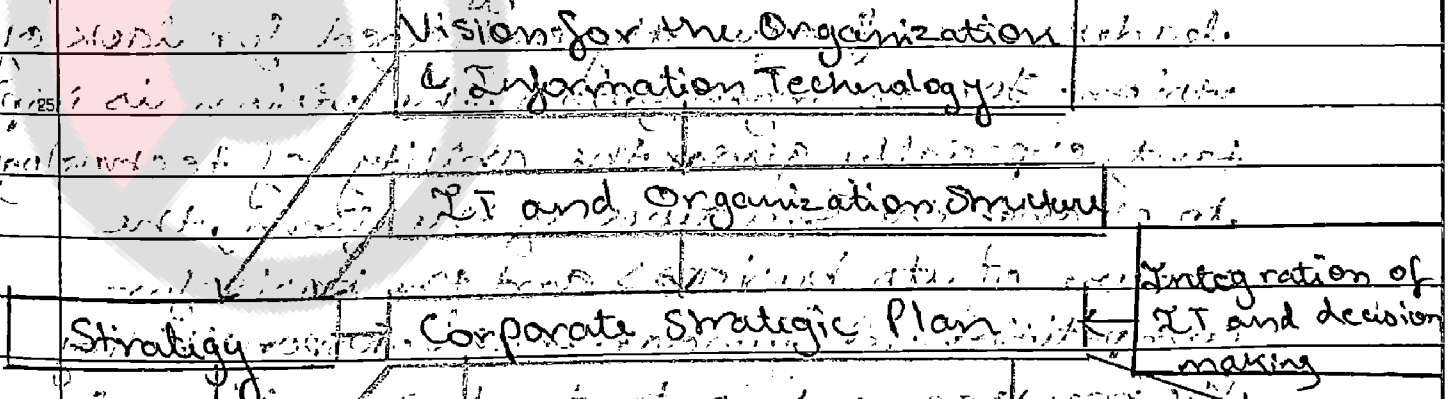
One of the most significant management challenges during the coming decade will

be to integrate business and technology. Managers must consider how technology affects their decisions and how their decisions affect the technology. figure describes how a manager can integrate technology with decision making. First, the manager has to search for new technology to help create new business opportunities. These opportunities, combined with the technology itself, lead to new development projects. The development projects are influenced by technological constraints. The firm cannot undertake a new marketing program in which customers inquire about their orders from the Internet, if the firm lacks the skills to set up a home page in the WWW and integrate the page with its existing order-entry system. Therefore, a firm cannot provide customers with inquiry capabilities until it allocates resources to develop a Web site.



The box at the bottom of figure represents decision making, planning and execution of decisions. Technological constraints and opportunities influence these decision making activities. Management's decisions influence how it manages the existing business and technology. A decision to undertake a major factory automation project will result in a different type of production process. To manage successfully managers must be able to integrate their knowledge of IT and their business knowledge in making decisions. The manager should be aware of the opportunities provided by the technology and the constraints that already exist for the firm in developing new technologies. The manager should also recognize that as decisions are made, the alternatives chosen will have an impact on technology and its development within the firm.

Q6] Managing Information Technology



The arrows in the figure show the relationship between actions in the boxes for managing and controlling technology. The 1st step is to develop a vision for the organization and I.T. Next the senior manager looks at how technology can contribute to the structure of the organization using the I.T. design variables. The structure of the organization is influenced by corporate strategy. Strategy, structure and the integration of I.T. into the firm help generate a plan for technology. This plan includes a structure for the I.T. subunit/subunits in the organization along with a hardware/software/network architecture for the firm. The plan describes what new applications and what resources are needed to operate existing technology. It also describes the source of services, for eg: from within the firm or from an outside source. Finally, the plan contains information on how management will control the technology effort.

A Vision of the Organization and Technology:

Visions are rare and difficult to create; leaders are frequently criticized for lack of vision. For an organization, the vision is important, especially given the ability of technology to change the structure of the firm, the nature of its business and the basis for competition. A fundamental responsibility for management is to develop a vision for the business and for the role of I.T. in achieving that vision. The vision should describe the mission of the organization

and identify the products and services it produces. It should identify the markets in which the firm will compete and its strategy for competition. It plans for mergers, partnerships, alliances and acquisitions are all part of a vision. IT is likely to play an important part in shaping the structure of the organization and in supporting its value chain activities.

Technology for Structuring the Organization - Because a firm's structure is highly interrelated with its strategy, these 2 aspects of the organization must be considered together. For eg, a firm might decide to compete on the basis of extremely efficient operations, to become the low-cost, low-overhead producer in its industry. This firm might use production automation to reduce costs and improve quality. It could use electronic customer-supplier relationships to process electronic orders from customers on a just-in-time basis and to order in a similar manner from its suppliers. The firm ~~its~~ could employ technological matrixing to form electronically linked project teams to develop new products and services in parallel. To minimize overhead, it could employ electronic communications and linking with its sales force, providing them with electronic devices such as notebook computers with fax modems, wireless communications and cellular phones in place of a physical office. Beyond the adoption of a generic strategy such as becoming the low-cost producer, management wants to develop technology that will give the firm a

competitive edge. The most difficult part of gaining such an advantage is coming up with an idea. No text can teach creativity or give a formula for it. By reviewing what competitors are doing, staying ahead of the technology and looking for analogies in other industries, you can develop new ideas for strategic advantage. It is likely these strategies will include the development of interorganizational systems and alliances with other firms. For a manufacturing firm, IT strategy might involve technology embedded in a product, such as the computer chips found in automobiles to control the engine and exhaust, antilock brakes, traction control and similar functions. A services firm might look for ways technology can add value to existing services, make it easier to do business with the company, reduce cycle times, lower costs and make the other contributions. You also need to consider an internet policy and presence on the www.

Integrating Technology and Decision Making - A significant responsibility of management is to integrate technology with all business decisions. Integration means that the manager is aware of how new technology can create opportunities. The technology can literally change the way a firm does business. The manager has to be aware of the impact of decisions on

the firm's technology. A decision to enter a new line of business has a direct effect on existing information-processing systems.

A Corporate Plan for Strategy:- A corporate strategic plan comes from the firm's vision for its future activities. This plan includes the vision; it is a road map for bringing about the vision. Rather than a separate plan for information technology, IT should be an integral part of the firm's strategic plan. Given the contents of the corporate strategic plan, it is possible for managers in the IT function to develop a more detailed IT plan to support the corporation. Many organizations agree that a plan is needed yet do not develop one. A frequent reason given is that the 3-to-5-year IS planning horizon is not compatible with the planning horizon of the organization. Yet it is both possible and highly desirable to develop an IT plan. The technology is too pervasive and important for planning to occur by default or solely through decisions made by personnel in the information services department.

Alliances and Partnerships:- Companies today form a variety of partnerships and alliances. The IT industry is an example. In fact, firms sometimes form alliances in one area with a company they compete with in some other aspect of business. Intel and Microsoft have a long history of co-operation, but Intel is also working

to produce chips that run competing OSs.

New IT Initiatives:- As technology advances, an organization seems to stimulate new ideas on how to use IT to improve some aspect of it. The corporate strategic plan should identify broad areas in which technology can contribute to the firm. An IT plan adds further details and identifies specific applications of the technology for development. A system that will be feasible can usually be undertaken to improve the organization. A corporate steering committee should choose application areas as a part of developing a plan for information processing. The task then is to choose what type of system, if any, will be developed. Management must consider the existing portfolio of applications and provide guidance on the amount of investment possible and the balance of the portfolio. Systems development is an area that requires a great deal of management attention. Managers must demonstrate that they are behind the development of a new system and see that there is adequate user input in the design process.

The IT infrastructure:- The combination of the firm's various common technologies constitutes information infrastructure. For eg, the organization provides networks to which various computers are connected. It would not make sense for individual users to each develop their own

network or choose a different provider of network services. If you wish to develop an interactive application available to all employees, the time and effort required will vary dramatically depending on whether the firm has an intranet in place. Frequent group review meetings are important during the design process. Top management must participate in these meetings and make clear that it supports the changes likely to come from the system.

Ongoing Management of IT:- Visions and strategy are long term in nature; the firm still faces the day-to-day tasks of managing IT. This work consists of 2 different kind of tasks: developing new applications and operating the existing stock of applications.

Unit 5

Q1) **Importance of Information Technology to global business:-**

There are a few methods that can be used by the global business to communicate with the customers such as emails, fax and virtual conferences. Tracking method used for shipping and purchasing is a the new innovations that can allow the businesses to confirm the quantity of goods and monitor the quantity of purchased. Spreadsheets and databases are essential method for global business because it can make the businesses easier to keep and manage their important data. The ability of business-

es to communicate with the managers in different countries will allow the business to have a clear communications between each other. Video monitoring and inexpensive calls in different countries also some of the ways that global businesses can use in their daily operations.

Supply chain for global businesses is more complex rather than the local businesses because it involved vendors, factories, customers and consultant in different part. Keep tracking the process to develop the product until the purchased process will involve many steps in several countries. Strategic supply chain management is important to ensure that the process of deliver the output to the other countries will run smoothly without any mistake that will affect/affect the company performance.

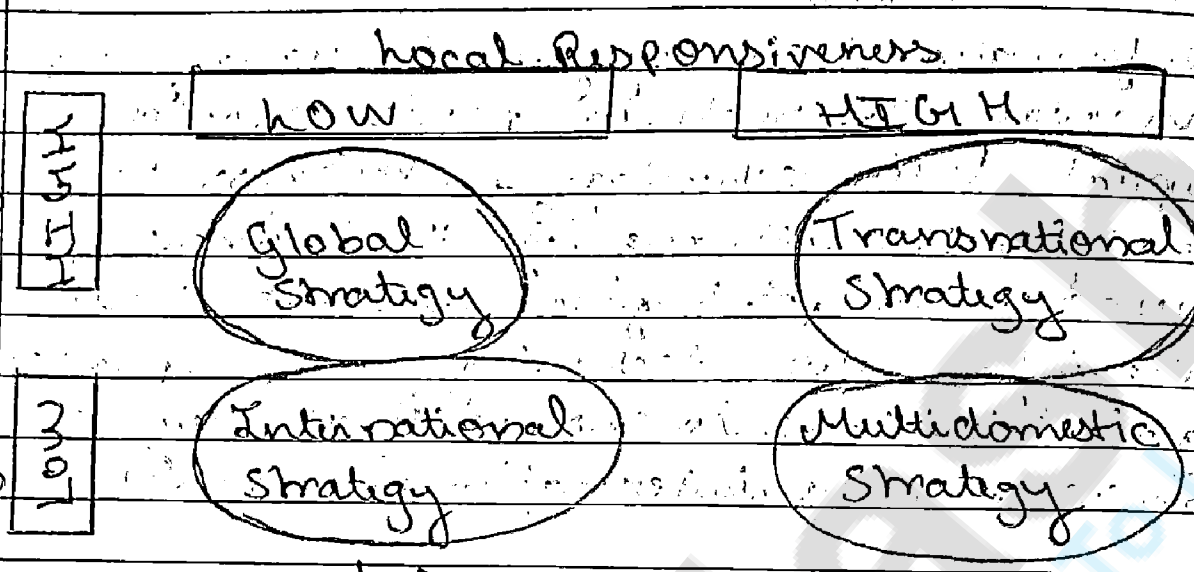
Information technology can help the global business to market their product around the world. With the existence of world wide web, it will enable the companies to advertise their output and sell the product in any part of the world. The electronic marketing will allow the businesses to introduce new or existing product that can make the customers aware and know about all of the product details. In this method, the sellers can provide the photo, video, films, product specification and price which can help.

the companies to attract the regular or potential customers.

Information technology is increasing rapidly nowadays. In such, companies should always update their technology in business to ensure that ~~the~~ the will manage the business efficiently. Based on the point given above, it shows that the information technology is important for global business to ensure that they will ~~success~~ success in the international market.

(Q2) International Business Strategies :- Due to increasing globalization the past decades, even smaller companies have been able to cross national borders and do business abroad. Consequently, many terms have been given to companies operating in multiple countries: multinationals, global business, transnational companies, international firms etc. Businesses that are highly globally integrated have the objective to reduce costs as much as possible by creating economies of scale through a more standarized product offering worldwide. Business that are highly locally responsive have an extra objective to adapt products and services to specific local needs. It seems that these strategic options are mutually exclusive, but there are companies trying to be both globally integrated and locally responsive as can be seen in some examples below. Together these two factors generate four types of strategies that internationally operating businesses can pursue: Multidomestic, Global,

Transnational and International Strategies



A firm that has operations in more than one country is known as a multinational corporation (MNC). The largest MNCs are major players within the international arena. Walmart's annual worldwide sales, for example are larger than the dollar value of the entire economies of Austria, Norway and Saudi Arabia. Although Walmart tends to be viewed as an American retailer, the firm earns more than one-quarter of its revenues outside the United States.

There are three main international strategies available: 1) Multidomestic 2) Global 3) Transnational. Each strategy involves a different approach to trying to build efficiency across nations while remaining responsive to variations in customer preferences and market conditions.

1) Multidomestic: How Integration and High Responsiveness :-

companies with a multidomestic strategy have as aim to meet the needs and requirements of the local markets worldwide by customizing and tailoring their products and services extensively. In addition, they have little pressure for global integration. Consequently, multidomestic firms often have a very decentralized and loosely coupled structure where subsidiaries world-wide are operating relatively autonomously and independent from the headquarter. A great example of a multidomestic company is Nestlé. Nestlé uses a unique marketing and sales approach for each of the markets in which it operates. Furthermore, it adapts its products to local tastes by offering different products in different markets.

2) Global: High Integration and low Responsiveness:-

Global companies are the opposite of multidomestic companies. They offer a standardized product worldwide and have the goal to maximize efficiencies in order to reduce costs as much as possible. Global companies are highly centralized and subsidiaries are often very dependent on the HQ. Their main role is to implement the parent company's decisions and to act as pipelines of products and strategies. Pharmaceutical companies such as Pfizer can be considered as global companies. Global strategies also can be very effective for firms whose product or service is largely hidden from the customer's view, such as

silicon chip maker Intel.

3) Transnational: High Integration and High Responsiveness :- The transnational
The transnational company has characteristics of both the global and multidomestic firm. Its aim is to maximize local responsiveness but also gain benefits from global integration. Such a firm tries to balance the desire for efficiency with the need to adjust its local preferences within various countries. For example, large fast-food chains such as McDonald's and KFC rely on the same brand names and the same core menu items around the world. These firms make some concessions to local tastes too. In France, for example, wine can be purchased at McDonald's. This approach makes sense for McDonald's because wine is a central element of French diets.

[3] Key Issues in International Environment :-

1) International company structure :- If your aim is to be competitive globally, you must have a team in place that's up for the challenge. One fundamental consideration is the structure of your organization and the location of your teams. For instance, will your company be run from one central headquarters? Or will you have offices and representatives "on the ground" in

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key markets abroad? If so, how will these teams be organized, what autonomy will they have and how will they co-ordinate working across time zones? If not, will you consider hiring local market experts who understand the culture of your target markets, but will work centrally?

Coca-Cola offers one example of effective multinational business ~~culture~~ structure. The company is organized into continental groups, each overseen by a President. The central Presidents manage Presidents of smaller, country-based or regional subdivisions. Despite its diverse global presence, the Coca-Cola brand and product is controlled centrally and consistent around the world.

While Coca-Cola is a vast international brand, the structure of your business and the number, nationality and level of expertise of your team will vary depending on your industry, product and size of your business.

2) Foreign laws and regulations: Along with getting your company structure in place, gaining a comprehensive understanding of the local laws and regulations governing your target markets is key. From tax regulations implications through to trading laws, navigating legal requirements is a central function for any successful international business. Eligibility to trade is a significant consideration, as are potential tariffs and the legal costs associated with entering new markets. Airbnb ran into trouble in 2014, with a

crackdown on advertised rental properties falling outside local housing and tourism regulations. The company was forced to pay a €30,000 fine for a breach of local tourism laws in Barcelona.

It's important to note that employment and labor requirements also differ by country. For instance, European countries stipulate that a minimum of 14-weeks maternity leave be offered to employees, while on the other hand, there is no such requirement for U.S. employers.

Beyond abiding by official laws, engaging in international business often requires following other unwritten cultural guidelines. This can prove especially challenging in emerging markets with ill-defined regulations or potential corruption. In response, companies doing business in the United States must abide by the Foreign ~~Corr~~ Corrupt Practices Act, which aims at eliminating bribery and unethical practices in international business. A good rule of thumb is to be aware of engaging in any questionable activities, which might be legal but could have future reputational repercussions.

3) International accounting :- Of the main legal areas to consider when it comes to doing international business, tax compliance is perhaps the most crucial. Accounting can present a challenge to

multinational businesses who may be liable for corporation tax abroad. Different tax systems, rates and compliance requirements can make the accounting function of a multinational organization significantly challenging. Accounting strategy is key to maximizing revenues, and the location where your business is registered can impact your tax liability. Mitigating the risk of multiple layers of taxation makes good business sense for any organization trading abroad. Being aware of tax treaties between countries where your business is trading will help to ensure you're not paying double taxes unnecessarily. A focus on tax efficiency is often the aim of international accounting efforts.

4) Cost calculation and global pricing strategy :- Setting the price for your products and services can present challenges when doing business overseas and should be another major consideration of your strategy. You must consider costs to remain competitive, while still ensuring profit. Researching the prices of direct, local-market competitors can give you a benchmark, however, it remains essential to ensure the math still works in your favor. For instance, the cost of production and shipping, labor, marketing and distribution as well as your margin, must be a taken into account for your business to be viable.

Pricing can also come down to how you ~~Pricing can also come down to~~ choose to

position your brand - should the cost of your product reflect luxury status? Or will low prices help you to penetrate a new market? Swedish furniture giant IKea, known in Europe for its low-cost value, struggled initially in China due to local competitor costs of labor and production being much cheaper. By relocating production for the Chinese market and using more locally sourced materials, the company was able to successfully cut prices to better reflect its brand and boost sales among target customers.

5) Universal payment methods :- The proliferation of international e-commerce websites has made selling goods overseas easier and more affordable for businesses and consumers. However, payment methods that are commonly accepted in your home market might be unavailable abroad. Determining acceptable payment methods and ensuring secure processing must be a central consideration for businesses who seeks to trade internationally.

Accepting well-known global payment methods through companies like Worldpay as well as accepting local payment methods, such as JCB in Asia or Yandex Money in Russia, can be a good option for large international businesses. Accepting wire transfers, Paypal payments and Bitcoin are other possibilities, with

Bitcoin users benefiting from no bank or credit card transaction fees.

6) Currency rates :- While price setting and paying payment methods are major considerations, currency rate fluctuation is one of the most challenging international business problems to navigate. Monitoring exchange rates must therefore be a central part of the strategy for all international businesses. However, global economic volatility can make forecasting profit especially difficult, particularly when rates fluctuate at ~~up~~ unpredictable levels. Major fluctuations can seriously impact the balance of business expenses and profit. For instance, if your company is paying suppliers and production costs in U.S dollars, but selling in markets with a weaker or more unpredictable currency, your company could end up with a much smaller margin - or even a loss. One way to protect yourself against large fluctuations in currency is to pay suppliers and production costs in the same currency as the one you're selling in. This may mean switching to more local production where possible in order to better balance your outgoings and sales revenue. Another option for mitigating the risk of ~~up~~ unpredictable currency rates can be setting up a forward contract and agreeing a price in advance for future sales. Of course, this potentially means missing out on greater profit should rates shift in your

favor. However, it can protect your sales from the risk presented by unstable currency.

7) Communication difficulties and cultural differences:- Good communication is at the heart of effective international business strategy. However, communicating across cultures can be a very real challenge. Effective communication with colleagues, clients and customers abroad is essential for success in international business. And it's often more than just a language barrier you need to think about - nonverbal communication can make or break business deals too.

Cultural differences can also influence market demand for your product or service. The need your business may address at home may already be met or not exist at all overseas. Local market insight is key, and there are a number of successful brands whose business models simply weren't viable in overseas markets. For instance, American coffee company Starbucks seriously struggled in Australia, where the demand for local, independent cafes and coffee shops vastly outweighed the appeal of the corporate giant.

8) Political Risks:- Before considering expansion into a new or unknown

market, a risk assessment of the economic and political landscape is critical. Issues such as ill-defined or unstable policies and corrupt practices can be hugely problematic in emerging markets. Changes in governments can bring changes in policy, regulations and interest rates that can prove damaging to foreign business and investment. A growing trend towards economic nationalism also makes the current global political landscape potentially hostile towards international businesses. For instance, companies like facebook are banned in China, partially in preference for national social networks and also due to government regulation over internet content. Monitoring political developments and planning accordingly can mitigate political risks of doing business abroad.

g) Supply chain complexity and risk of labor exploitation :- When it comes to sourcing products and services from overseas, managing suppliers and suppy chains can also be a tricky process. Unfortunately, the length of and complexity of suppy chains increases the chance of working with suppliers who have unethical and even illegal business practices. Of growing concern is the risk in international business of forced labor and worker exploitation.

In October 2015, the UK passed the Modern Slavery Act in response to this often-

hidden human rights violation.

10) Worldwide environmental issues:- On a practical level, if you're considering expanding your business overseas, it's important to be aware of the country-specific environmental regulations and issues associated with your industry. Some key considerations include how your production methods might impact the local environment through waste and pollution. Beyond a legal or ethical incentive to be more eco-friendly, establishing environmentally conscious business practices can attract ~~boss~~ new, forward-thinking consumers to your company. With a number of brands such as Dell, Renault and MUD Jeans leading a shift towards the circular economy, there is an opportunity and demand for changing production methods and ~~in~~ consumer behavior to establish a more sustainable future for the environment and society as a whole.

9) Managing I.T Internationally:- There are a number of strategies for managing I.T in a global environment:

1) Concentrate on interorganizational linkages
2) Establish global systems development skills.
3) Build an infrastructure
4) Take advantage of liberalized telecommunications
5) Strive for uniform data

6.) Develop guidelines for shared versus local systems.

1) Concentrate on interorganizational linkages:- Two medium-size banks in a large U.S metropolitan area recently came to the same conclusion: each was too small to withstand the market power of its larger competitors. Neither had the resources to compete or to grow and moreover both were prime takeover targets for large banks wanting a presence in their metropolitan market. Faced with a future of stagnation at best and dismemberment at worst, the two banks decided to merge. Today, the combined institution is twice the size of the former banks and is one of the ~~biggest~~ largest savings banks in the United States. The new bank has the size to be a major player in its market and is now pursuing efficiencies of scale and scope never before possible.

This type of interorganizational relationship and other forms of organizational collaboration and linking together, represent an increasingly common strategy for the survival and growth of corporations as they seek to defend against competitive attack, enter into new markets and gain access to developing technologies. Even nations, traditionally concerned with issues of sovereignty, have entered into collaboration with each other in the belief that cooperation in both political and economic ventures is often better than independent action.

2) Establish global systems development skills:- There are problems managing IT department projects when all participants are from the same country and work in the same location. Coordinating multinational project teams presents an even greater challenge. Language and distance make them difficult to coordinate. A New York bank has a development team with members in New York, Lexington, Massachusetts and Ireland coordinated through groupware. In some foreign countries, hiring staff with the appropriate skills to work on technology can be difficult. Interviews with IT managers for multinationals in 7 countries found dramatic differences in their accomplishments and their capabilities: Lack of personnel skills can be a major impediment to developing international systems; not all countries have educational programs to prepare individuals for systems analysis or programming jobs.

3) Build an infrastructure:- Justifying expenditures on infrastructure can also be extremely difficult. Infrastructure is the part of technology that does not have an immediate ~~result~~ benefit. The easiest example is a worldwide communications network. One money-center bank carefully costed out an international private network and found that it had a negative NPV. The economic criteria suggested not to undertake the development of the.

network. However, the bank went ahead and found ~~out~~ that the new IT provided a number of benefits that were hard to quantify. Basically, with this network the bank could "plug in" any application to the network and offer it anyplace in the world it did business.

4) Take advantage of liberalized Electronic Communications:- Consumers can choose from among different service providers and products. For example, in the railway, electricity and gas industries, network operators are now required to give competitors fair access to their networks. In these industries, monitoring fair network access by all suppliers is essential, so that:

1) Consumers can choose the supplier offering the best conditions;

2) Consumers benefit from lower prices and new services which are usually more efficient and consumer-friendly than before.

3) National economies become more competitive.

5) Strive for Uniform data:- One of the major problems in sharing data is identifying it. A story is told that a large computer vendor once looked at its logistics systems and found that "Ship date" meant 6 or 7 different things depending on the system involved. In one system it might be the promised ship date and in another the date the

item left the loading dock. To obtain economies of scale from sharing data and systems, the firm must have a common vocabulary of terms and definitions.

6) Develop Guidelines for Shared versus local Systems :- ~~Another important strategy needs~~ You need to develop guidelines for when a system should be shared and when a local, autonomous system is more appropriate. The obvious advantage of shared systems is economies of scale and the ability to share data. The problem with shared systems is that they tend to become large and complex. Also, individual locations and users have special needs that must be incorporated into the system. As the number of exception increases, the system becomes more cumbersome and difficult to program.

The advantage of a local system is that it can often be developed quickly in response to a local condition. If it later becomes necessary to coordinate this system with other applications, special interfaces will have to be created. If each location ends up needing a similar system and cannot share this one, the firm has paid for many systems when possibly one would have sufficed. The benefits of standardization appeal to many firms, particularly for basic

transactions-processing system. A company that decides to purchase and implement an ERP package such as SAP will want to leverage its experience and the knowledge it acquires about the system across multiple locations and countries. If a company manufactures or has inventory in different countries, it will want to know where products are that a customer has ordered. A standardized transaction-processing system around the world makes it much easier to communicate and share such information, just as it makes it easier to maintain financial databases and provide accounting information to management and the public.

(Q5) IT Governance:- Information technology (IT) governance consists of the leadership, structures and processes that enable an organization to make decisions to ensure that its IT sustains and extends its strategies and objectives. IT governance is an integral part of enterprise government and as with enterprise governance, requires a clear understanding of the enterprise's strategic goals and objectives and a structure with repeatable processes to support decisions ensuring alignment of IT investments with those goals and objectives. IT governance ensures that IT decisions focus on:

1) Evaluating and directing the use of IT to support the organization.

2) Monitoring the use of I.T. to achieve plans;
3) Using the I T strategy and polices to accomplish its purpose.
4) Aligning the IT strategy with the organization's goals.

The need for IT governance :- Businesses must pay attention to IT governance because of the need to satisfy two critical requirements - risk mitigation and compliance.

A serious technology mishap may can affect not only business processes but also relationships with customers. Critical failures in IT can shake consumer confidence, which organizations cannot afford at any cost. An appropriate framework ensures that IT systems, processes and infrastructure are adequate and can protect and mitigate against business risks.

Another key consideration is the regulations imposed on computers companies regarding data retention, confidentiality, financial accountability and disaster recovery;

IT governance establishes standards and synthesises processes and systems. In this way, IT governance helps an organization achieve regulatory compliance and be proactive about the security and integrity of its data and processes.

IT governance guidelines for Directors :-
Directors need to take leadership and craft an IT governance framework.

that is realistic yet flexible for their organization. Here are some guidelines for consideration.

Assess risks :- One of the main goals of IT governance is to manage business risks. In order to know which system to adopt as part of IT security strategy, an organization first has to gain a thorough understanding of the current risks it is exposed to. Doing so will allow meaningful discussions and facilitate decision making.

Get everyone on board :- Effective IT governance requires standards and processes to be implemented in many areas within the enterprise architecture. Therefore, the board of directors must be willing, informed and active champions for IT governance and the changes and practices the organization requires.

Provide strategic oversight :- The Board of Directors should provide strategic oversight of information security by:

- understanding how critical information is and the importance of information security to the organization.
- reviewing investment in information security systems for alignment with organizational strategy and risk profile.
- endorsing the development of and interpretation of a comprehensive information security programme.
- requiring regular reports from management on the programmes adequacy and effectiveness.

Creating a steering committee :- Information security impacts the entire organization, and all stakeholders affected by security issues should be involved. To accomplish this, appointing a steering committee which includes business leadership as well as representatives from all functions is a great step forward. The steering committe must meet and review the IT policies and procedures regularly.

Conduct audits :- To ensure adherence, conduct regular audit of the processes implemented for IT governance. The findings from the audit can be used to fine-tune the programme.

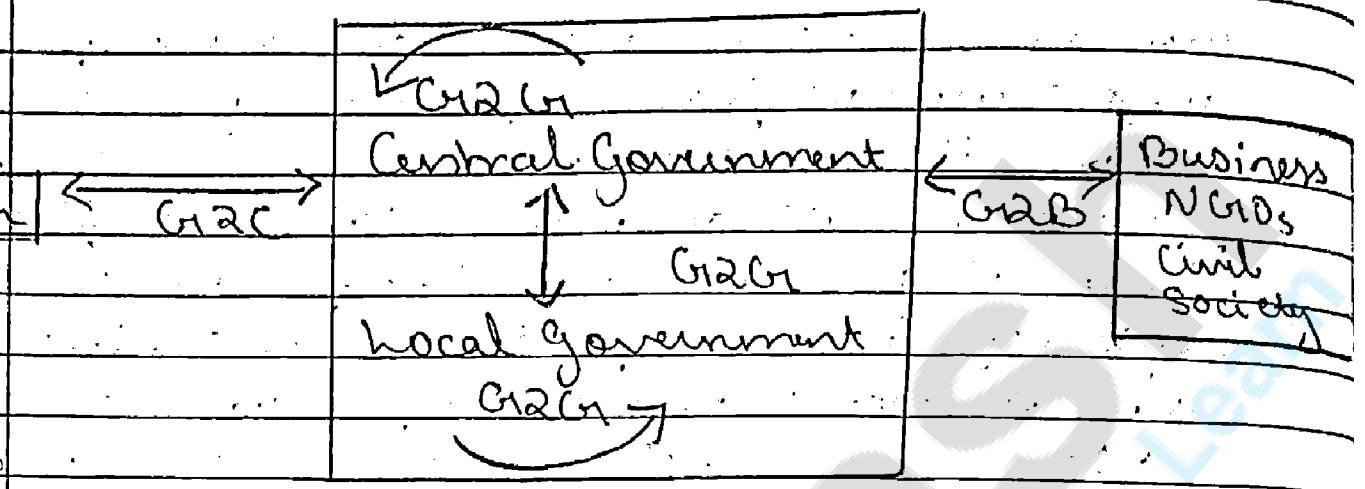
Q6) Internet Governance :- Internet governance refers to the rules, policies, standards and practices that co-ordinate and shape global cyberspace.

The internet is a vast network of independently managed networks, woven together by globally standardized data communication protocols (primarily, Internet Protocol, TCP, UDP, DNS and BGP). The common adoption and use of these protocols unified the world of information and communications like never before. Millions of digital devices and massive amounts of data, software applications and electronic services became compatible and interoperable. The Internet created a new environment, a complex and

dynamic "cyberspace".
While Internet connectivity generated innovative new services, capabilities and ~~unpred~~ unprecedented forms of sharing and cooperation, it also created new forms of crime, abuse, surveillance and social conflict.
Internet governance is the process whereby cyberspace participants resolve conflicts over these problems and develop a workable order.
We say Internet governance and not government because many issues in cyberspace are not and probably cannot be handled by the traditional territorial national institutions. Governance implies a polycentric, less hierarchical order; it requires transnational cooperation amongst standards developers, network operators, online service providers, users, governments and international organizations if it is to solve problems while retaining the ~~opera~~ openness openness and interoperability of cyberspace. For better or worse, national policy plays an important role in shaping the Internet, but the rise of cyberspace has produced and will continue to produce, new institutions and governance arrangements that respond to its unique characteristics.

Q7. E-Governance :- When a government communicates with its citizen companies government and non-government organizations and with other governments of different countries using ict (computer, internet) it is

called e-governance'



E-Governance is of 4 types depending on the specific types of services.

1) Government-to-Citizen (G2C) :- The Government-to-citizen refers to the government services that are accessed by the familiar people. And most of the government services fall under G2C. Likewise, the primary goal of Government-to-citizen is to provide facilities to the citizen. It helps the ordinary people to reduce the time and cost to conduct a transaction. A citizen can have access to the services anytime from anywhere. Furthermore, many services like licence renewals and paying tax are essential in G2C. Likewise, spending the administrative fee online is also possible due to G2C. The facility of Government-to-citizen enables the ordinary citizen to overcome time limitation. It also focuses on geographic land barriers.

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2) Government-to-business (G2B) :- Here, e-Governance tools are used to aid the business community - providers of goods and services - to seamlessly interact with the government. The objective is to cut red tape, save time, reduce operational costs and to create a more transparent business environment when dealing with the government. The G2B initiatives can be transactional such as in licensing, permits, procurement and revenue collection. They can also be promotional and facilitative such as in trade, tourism and investment. These measures help to provide a congenial environment to businesses to enable them to perform more efficiently.

3) Government-to-Employees (G2E) :- The Government-to-Employee is the internal part of G2G sector. Furthermore, G2G aims to bring employees together and enimprovise knowledge sharing.
Similarly, G2E provides online facilities to the employees likewise, applying for leave, reviewing salary payment record. And checking the balance of holiday. The G2E sector provides human resource training and development. So, G2E is also the relationship between employees, government institutions and their management.

4) Government-to-Government (G2G) :- The Government-to-Government refers

to the interaction between different government department, organizations and agencies. This increases the efficiency of government processes. In G2G, government agencies can share the same database using online communication. The government departments can work together. This service can increase international diplomacy and relations.

In conclusion, G2G services can be at the local level or the international level. It can communicate with global government and local government as well. Likewise, it provides safe and secure inter-relationship between domestic or foreign government. G2G constructs a universal database for all member states to enhance service.

Unit 6

Management in a Technological Environment

Q1) What are the issues in managing IT?

The growth of personal computing technology has revolutionized how people live and work in the 21st century. Keeping computer networks running at optimal levels falls on information technology managers, who must constantly upgrade their skills to keep up with the latest technological changes. As computers grow smaller and more sophisticated, IT managers are increasingly expected to function as middle managers, security consultants and recruiters. To

help companies fulfill their goals and objectives
1) New Technology :- Technology advances rapidly and shows up in media on all sides. This means users, managers at all levels and even competitors pressure IT staff to implement new technology, simply because it is new. The real challenge is deciding which of these new technologies will work to the best interest of advancing the organization, and which are better to avoid for now. Organizational priorities and long-term goals tend to remain relatively static. Technology has become much more fluid and changes more rapidly. IT management must evaluate the organizational value of each new tech advancement to determine when and if it is a good fit. New technologies such as cloud, big data, virtualization and mobility all become tools for experienced IT managers who understand their organization's priorities. Since every organization is different, the IT value of each new technology will vary with the organization's strategic goals.

To make the most of any new technology, an IT manager needs a solid understanding of the organization and the challenges its users and markets face. Prior to jumping into new trends in technology, IT managers must ask one question: "How does this help us address our current challenges or meet our strategic goals?"

2) Cloud Computing :- The ability to connect large numbers of computers on a single network, known as cloud computing, raises many challenges for IT professionals. One

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Of the thorniest issues is who owns the data and how the provider is supposed to keep it. Debate also persists about whether companies are better off letting their IT staff manage the data or dealing with a cloud vendor who is specially certified in security protocols affecting the medium.

3) Cybersecurity :- Developing new strategies against cybercrime remains an ongoing challenge for IT professionals. As in any illegal enterprise, ~~re~~ trends change constantly. One example is the rise of botnet attacks that enable malicious software users to take over entire computer networks. Criminals need no special abilities to commit such crimes. However, the cost and complexity of cross-border investigations means IT protection teams can't wait for police agencies to solve their problems -- especially as cybercriminals keep finding new ways of breaching established security protocols.

4) Remote Management :- Conventional offices seem less relevant when digital technologies, such as email, instant messaging and video conferencing enable employees to work remotely. As a result, IT professionals will likely face greater pressure to keep networks running at top capacity. Accountability is an issue, since workers and supervisors are scattered across different nations or time zones. The absence of formal

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schedules also means less separation between life and work than ever, with IT managers increasingly expected to troubleshoot problems at unusual hours.

5) Big Data Analytics :- Data is projected to grow by 800 percent in the next five years. The big challenge is that more than 80 percent of it is unstructured. Unstructured data varies in its formats, including plain text, email, blog, formatted document, standard and non-standard image, video, voice, animation, sensor input and web search logs. Unstructured data is growing faster than structured data. As a relatively new and untapped source of organizational insight, unstructured data analytics have the potential to reveal more important information about interrelationships that were previously very difficult or impossible to determine. Part of that unstructured data includes data from communities, groups and social networks outside the organization known as "the collective". Data mining the collective is a great way to understand the organization's market and its customers.

6) Shadow IT :- IT continues to have a poor image inside organizations. Whether it be slow response times, dictatorial actions, or software challenges, many IT departments are facing users preference of going to intra-~~depot~~ department super users for help. Combine that with the easily available cloud software and

services, organizations see users and groups bypassing the IT department altogether. They find and purchase third party SaaS (Software as a Service) packages to meet their needs. Other departments like sales, marketing, accounting, etc are considering independent arrangements with outside IT service providers.

When end users and managers are less satisfied with the service and support they receive from IT, they begin to look for other options. The solution is less about controlling an emerging Shadow IT. Rather, it's about training the IT department to better communicate with and support the needs of the organization.

7] Creating Value :- Value Creation is a recurring IT issue. It's now a priority. IT departments must focus on improving service to the organizational user and to the organization's department needs. To do so, IT managers must remove any non-essential activities that are in the way. That means a different way of outsourcing non-core activities to keep the focus on value creation. This outsourcing means moving as many services to the cloud as possible. Why own or maintain software or hardware? Small or mid-sized firms can easily rely on the cloud for standardized services.

This is relatively simple. Ask, "Does this task/activity improve our organization's

core priorities?" If not, figure out how to eliminate that function and focus on the mission-critical tasks.

Social Networks :- Customers, suppliers and others are currently talking about every organization on some form of social media. This may include Twitter, Facebook, LinkedIn and Youtube. At minimum, IT and marketing departments need to monitor and participate in those conversations. Semantic analysis tools can help companies mine that social dialog to shape new products and upgrades, improve customer service, and support sales and marketing initiatives. Establish a social presence and determine what is being shared. The biggest challenge here is the struggle with shifting from providing a platform that sells products and services delivering strong customer solutions.

Q2] In Changing World of Information Action Plan :- It is very difficult to reduce suggestions for managing something as complex as IT to a few outline points. However, the following suggestions on the next slide have proven helpful as guidelines:

Use IT Design Variables to Structure the Organization :- One of the most exciting attributes of modern technology is your ability to use it in designing innovative & highly effective organizations. You can use this technology to design components of an organization or to structure an

entirely new type of organization. IT design variables, in conjunction with conventional organization design variables, provide you with tremendous flexibility in designing an organization. The most likely outcome from using these variables will be a flat organizational structure with decentralized decision making. The firm will use electronic communications & linking as well as electronic customer-supplier relationships to form alliances with other firms.

Determine & Communicate Corporate Strategy:- If you & others in the organization are to help the firm achieve its strategy, you must know what it is!.

1) Develop a plan for how to use IT. The plan should include:

- A list of opportunities for your business unit.
- A vision of how your unit should function & the role of IT in that vision.
- A survey of current business processes that are good candidates for major improvement through process re-engineering.
- A catalog of areas for applying IT, including priorities.

2) Develop a long-range plan for the technologic infrastructure.

- Plan for hardware-software architecture for your unit given the constraints of the corporation, that is, what technology already exists.
- Plan for the evolution of a network

that forms the backbone of your technology.
- Invest in infrastructure.
- Investigate the use of standards to facilitate connection & interorganizational systems.

3) Develop ongoing management strategies for IT :-
- Support users in your unit & encourage them to work with the technology.
- Develop mechanisms for allocating resources to IT.
- Encourage innovation & reward it.

4) Manage system development :-
- See that design teams are formed for new projects.
- Participate in the design process.
- Be sure you understand what IT applications will do.
- Review & monitor development projects.

5) Be a user of technology :-
- Use IT to improve your own productivity.
- Use technology to set an example for others.

IT is so pervasive in modern organizations that any manager will encounter it throughout his or her carrier. You will have the most success if you
1) look at IT as something that allows you & your colleagues to be more effective, and
2) Actively manage IT.