

# [Managing Information Assignment Sample in PDF]

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[Assignment I; Semester I]

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[This assignment is an individual effort based on self-motivated research using mainly the Internet resources, aiming to assess the students' ability in carrying out in-depth studies of various issues related to the subject of information management. It contributes 40% to the overall mark of the module assessment ]

**DISCUSS THE IMPORTANCE OF ALIGNING THE BUSINESS COMPANY'S LONG TERM INFORMATION MANAGEMENT STRATEGY WITH OVERALL CORPORATE STRATEGY. FIND A SUITABLE CASE STUDY TO ILLUSTRATE THE BENEFITS OF THE ALIGNED STRATEGIES.**

Information is a strategic resource in every business. Understanding the value of information is the key to business success. High quality information should be available to employees and decision makers and the lack of such information could lead to revenue loss and untimely business failure. Companies need information or knowledge of themselves, information about other competitors and information and feedback from customer in order to grow and remain competitive in the market. Thus the saying “know yourself and know your enemy then you will win every war” applies even in business.

However, information is so vast and so managing it has become a herculean task, but with information technology (IT) today, there are information systems (IS) that make managing information a lot easier. IT is basically hardware while an information system can be any organised combination of people, hardware, software, communications networks, data resources, policies and procedures that stores, retrieves, transforms and disseminates information in an organisation. Examples of information systems include;

1. **Decision support systems** that enable to develop a strategic approach to align IS or IT with an organization's business strategies
2. **Enterprise resource planning** solutions that integrate/link the business processes to meet the enterprise objectives for the optimization of the enterprise resources
3. **Database systems:** data warehousing is the process of compiling and organizing data into one common database, and data mining is the process of extracting meaningful data from that database. The data mining process relies on the data compiled in the data warehousing phase in order to detect meaningful patterns. "Data mining" makes the best use of available corporate information for marketing, production, promotion and innovation. IS also facilitates identification of the data collection strategies to help optimize database marketing opportunities.
4. **The real-time ISs** that intend to maintain a rapid-response and the quality indicators, customer relationship management (CRM) systems, Supply chain management (SCM) systems Knowledge Management(KM) systems, etc

It is important to note that IT has no inherent value. The value of technology is not in its possession, in fact, IT spending only incurs costs in isolation, thus effective use of IT IS THE ONLY WAY TO GAIN BENEFITS from investing in it. Scholes 2001, p.24 talks of a danger that IT starts to take on a purpose of its own-disconnected from the organisations strategies. But when put to effective use with support from consultants and IT staff technology should be used to enhance service, increase efficiency and leverage existing strengths. There should be an alignment of business and information strategy because information strategy needs to support information systems. For instance, a company focusing on customer relationship management may have to introduce a CRM system. IS and business strategies are both embedded into an overall corporate strategy, thus, managers need to think of information strategy each time they think about business strategy because IS simply aids the speedy actualization of corporate objectives. i.e. Strategic use of IS HELPS COMPANIES ACHIEVE COMPETITIVE ADVANTAGE. A good illustration of this could be seen in the case of Wall-mart's use of automatic inventory replenishment or just-in-time (JIT) system through its corporate Alliance Strategy with its suppliers. This has helped the company achieve unmatched excellence and sustainable competitive advantage through this alliance thus making it an unrivalled leader in retail business with a reputation of crushing competitors' with low prices.

A major case for discussion in this paper would be Harrah's Entertainment Inc. (the Casino Industry) Harrah's invested largely in IT to successfully implement its *service oriented strategy*. It implemented its patented Total rewards programme to help build strong relationship with its customers. The programme rewards customers for their loyalty by tracking their gaming habits across its 26 properties and it currently maintains information on over 19 million customers, information it uses to analyse, predict and maximise each customer's value. Having terabytes of data without any way to analyse the data makes the data useless. Harrah's uses data mining tools to sift through the massive amounts of data in its warehouse to uncover the business intelligence that has given it competitive advantage over its competitors.

Total rewards allow Harrah's to give every customer the appropriate amount of personal attention. It works by providing each customer with an account and a corresponding card that the player swipes each time he or she plays a casino game. The program collects information via a database on the amount of time the customer gambles, their total winnings and losses and their betting strategies. Customers earn points based on the amount of time they spend gambling which they can now exchange for comps such as free dinners, hotel rooms, tickets to shows and even cash.

Total Rewards helps employees determine which level of service to provide each customer. When a

customer makes a reservation at Harrah's, the service representative taking the call can view the customer's detailed information including his loyalty level, games typically played and potential net worth.

Without database integration among its hotels and casinos, Harrah's would never be able to determine what a customer's true value is to the company. For example, a customer who spends 600,000 dollars at one casino might be treated like royalty. The same customer could visit another Harrah's location but since the information is not integrated, the new location would have no idea that they had a high-rolling customer on the premises and so they might not treat the customer accordingly.

Harrah's has maintained high quality information in its data warehouse. Without this, it would be unable to make good business decisions and operate its service oriented strategy; also, it would have suffered these;

- × Inability to accurately track customers
- × Difficulty identifying valuable customers
- × Inability to identify selling opportunities
- × Marketing to nonexistent customers
- × Difficulty tracking revenues due to inaccurate invoices
- × Inability to build strong customer relationships which increases buyer power

Also, it has been able to keep customer gambling information private. If there was ever a security violation, Harrah's would risk losing its customers' trust and business.

Today, Harrah's is on top of the game with the following;

- × 10% annual increase in customer visits
- × Yearly profits of over \$208 million
- × 33% increase in gross market revenue
- × Highest three-year return on investment(ROI) in the industry
- × Recipient of 2000 leadership in data warehousing Award from the data warehousing institute(TDWI) (O'Brien, 2008)

All these were achieved because Harrah's aligned its long term information management strategy with its service oriented corporate strategy

**ANALYSE THE IS/IT SYSTEMS OF TYPICAL HIGH STREET ESTATE AGENT. MAKE SUGGESTIONS AS TO HOW THE LATEST IT TECH. CAN FURTHER IMPROVE THE EFFICIENCY AND ECONOMIC PERFORMANCE OF THE COMPANY.**

CPS have been in the real estate business since 1987. They have branches in Armagh, Belfast, Dungannon, Omagh and Monaghan which means that communication between staff and branches is essential to running a smooth operation. CPS is an organisation passionate about customer service putting the customer at the centre of everything they do. To ensure they live up to this mantle, their telecommunications infrastructure had to be reliable and flexible to deal with an ever changing industry.

CPS uses the VoIP phone system to connect each of the branches into one large phone system to avail of staff sharing potential in busy periods; each of the branches is connected via an internet connection to a server. This means that instead of having many small systems, CPS is connected to one large system. Each staff member is able to extension dial each other, transfer calls multi branch, allow unanswered calls to be answered by another branch. This allows the staff to become location independent and work from other branches when required.

The use of VoIP also cut the cost of intercompany communications to zero! It also provides a resilient system such that when one location had a system failure, now with the Hosted VoIP solution, calls were automatically diverted to a pre-defined branch on their network. There is also a disaster recovery procedures lined.

When CPS decided to open a new branch office, in Enniskillen, they would have had to purchase a new phone system, pay someone to install / maintain it and then pay for inter-company calls. But with VoIP, they simply need to purchase a handset and plug it into the broadband and that is the new branch ready to go making and receiving calls.

CPS also has a strong online presence and a strong customer focus supported by innovative and industry leading applications of technology to help deliver a better, customer centred and efficient service to its clients. Across its branches, it introduced in-branch touch screen or internet access to its property database and through a new, market leading website, clients can register for regular updates, book viewings or valuations online and receive SMS or e-mails informing of new properties or bidding activity. Here, it uses IT to efficiently match buyers and sellers reducing search costs for clients as well. IT must be used strategically especially in the real estate industry.

However, IT might reduce search costs to the point where a human intermediary is unable to compete. IT might also be used to provide information about the process of a sale, thus reducing the perceived risk. Since real estate agents and real estate firms are pure market intermediaries – they match buyers and sellers, but rarely buy or sell themselves – they are potentially vulnerable if buyers can find sellers directly. For example, buyers and sellers can now use the internet to list and search for houses themselves, bypassing traditional real estate agents, who used to have a monopoly on providing information about listings. EBay, which revolutionised consumer-to-consumer sales by enabling individual buyers and seller to easily find each other, now, allows real estate listings. If the value added by CPS is merely a source of information about listings or reassurance about the process, their position is vulnerable and they may become victims of disintermediation.

Indirect and circumstantial evidence shows that these developments have indeed had an impact on this profession. Several studies, including research by the National Association of Realtors, found that 60 per cent of all housing purchases in the US start on the internet. While brokers still control four out of five real estate transactions, the number of homes sold directly by their owners (“for sale by owner” or FSBO sales) has increased in recent years (Fletcher and Wright, 1997).

Real estate agents have begun to realise the disruptive potential of the internet (Battenberg, 1998; Harper, 1997; Self, 1997).

Therefore, for CPS, the major challenge in these developments is to figure out a way to add sufficient value in the real estate transaction such that they are able stay “in the middle”. Some agents are adopting new communications channels for their own use. For example, Lloyd Anderson, a Harcourt’s rural sales consultant based in Gore, New Zealand, listed more than 70 of his properties on the internet (Real Estate Institute of New Zealand, 1999). Anderson is cited in August, 1999, as having received more than 670 inquiries from around the world on one property in two months, with the internet leading directly to a sale in excess of \$NZ3 million (about \$US1.6 million). Other agents are stressing individual service and creating other value-adding mechanisms, such as buyer-broker relationships, connections to other house-buying services, buy/sell deals and guarantees.

Adopting such practices could help CPS compete better without fear of being thrown off its mediating position.

The use of IT leads to the increased availability of information about properties to all the parties, but much of this information is “de-contextualised”, meaning that it may not be clear how it applies to a particular situation or circumstance. CPS real estate agents should have stories to tell online

about the local neighbourhood, about the relative merits of schools in the area, the local shopping centres and so forth. While the basic data is usually available from various sources, buyers may need help interpreting and putting the data into context. In this way, the social network, and especially the strong local ties, represents the added value that the CPS would provide during the sales process.

The primary value that an agent provides to a customer continues to be access to the agent's established social network of value-adding players. Expertise is much more important than simple listings data and much harder to replace with technology. For example, since most buyers need legal advice on the transaction, real estate agents often seek out and form strong relationships with lawyers who will help their clients (and vice versa: lawyers seek to develop relationships with agents who will bring them business). These relationships certainly have an economic aspect, but the economic transactions are built on social relationships of trust and reciprocity. A listing of lawyers in the phone book or an online equivalent is not a replacement for a recommendation from an agent or a friend. The agent provides a certain comfort level that the transaction will be completed satisfactorily.

The increased use of IT by CPS real estate agents will enable them to extend their social networks and thus increase their social capital (Kraut, Rice, Cool and Fish, 1998; Kraut et al., 1998). Increased connectivity (via cellular phones, pagers and email) allows it to more easily maintain contact with the members of her social network. The increasing use of certain technologies also makes it easier for potential customers to contact CPS. Internet presence extends the agent's reach. CPS should also have their listings on personal websites, organisational websites (such as local franchise sites), co-operative sites (such as [www.homehunter.com](http://www.homehunter.com)) and the National Association of Realtors' website.

CPS can also introduce live chats online just to bring potential clients closer and build their confidence levels and reduce the perception of risk for customers who have little experience with the complexities of real estate.

**PROPOSE A NEW STRUCTURE FOR CPS AGENTS PARTICULARLY THE DATABASE COMPONENTS AND PROPOSE HOW DATA CAN BE BETTER USED TO GENERATE INFORMATION FOR IMPROVING THE CUSTOMER SERVICES.**

CPS real estate agents can easily create and manage an extensive database of properties available on sale and rent. Content management systems integrated within the solutions enable users to easily upload, format and organize details of property. Property seekers are provided with extensive querying options enabling them to search for property details stored in the database.

CPS should build and deploy online real estate classifieds to provide sellers and buyers with a platform to post and reply to classifieds. The postings and replies to the ads are stored in a database thereby making it easier to track and respond to replies.

In order to build interactivity into the real estate web solutions and to provide value added services to users various additional tools and components can be added to the solution. Some of the tools/components that can be integrated with the solution include the following:

- **Virtual Tours:** CPS can create and upload virtual tours of the property that they wish to sell. This enables buyers to get an idea of the property.
- **Currency Converters:** Since the potential buyers may be spread across geographical boundaries, a currency converter tool integrated with the solution will provide potential buyers with a means to calculate and view the rates in a currency of their choice.
- **Calendar:** A calendar tool integrated with solutions will enable CPS agents, brokers and buyers to set and view their daily/weekly and monthly schedule for property viewings and bookings.
- **Interest Rate Calculator** – Property buyers can calculate the instalment amounts and the interest rates required to be paid on purchase of the property.
- **Reports:** Extensive reporting modules can be developed and integrated with the solutions enabling CPS to generate comprehensive reports for analytical purposes. Statistical and trend analysis reports such as demographics of property buyers, areas or regions preferred by buyers etc will enable CPS to study and analyze the customer behaviour and trends thereby enabling them to target and offer better services to the customers.



- **Discussion Forums:** Discussion forums can be integrated with the solution enabling property seekers and buyers to interact with each other online.
- **Maps:** The functionality of Google Maps can be integrated with the solutions. This would enable CPS and sellers to generate location and direction maps to their properties.
- **Reminders:** Database can be seen as a mechanism to set up automated reminders, therefore, using software like Agent box; CPS can set up anniversary reminders to prompt the system to send out a card or even a bottle of wine for special property milestones – five years since moving in or selling a property, for instance.

All these could go a long way in improving customer services as they add more value to the business website for the customers.

## **ISSUES IN THE INTRODUCTION OF NEW IT SYSTEMS AND SUGGESTIONS ON HOW TO RESOLVE THEM**

Many Information Systems development failures could be due to *technical issues* but most of the time, they are due to *issues related to project management*. Project management is the application of knowledge, skills, tools and techniques to project activities in order to meet or exceed stakeholder needs and expectations from a project. (Haag et al. 2008 p.478)

Project management ensures that the scope of the project is aligned to a manageable size such that there is a resource fit. Thus, this is essential for the implementation of this project especially at the planning stage. If effective project management is not implemented, the scope of the project may be too wide for the organisation to handle.

Moreso, the introduction of new systems exposes an organisation to risk. Therefore, *Risk management* should also be taken seriously. This has been defined by Haag et al. (2008) as a process of proactive and ongoing identification and analysis and response to risk factors. This is important also at the planning stage to ensure that certain risk factors are evaluated in time. Risk management entails that the project team is able to admit mistakes and report negative information on the project when they are noticed to eliminate threats to achieving goals with the proposed system.

A successful training strategy, by establishing the necessary knowledge and skills together with a plan for their implementation, minimises this risk by reducing or removing the following potential

problems:

- Lack of support for the change process through poor understanding of what is happening, and why and how the individual will be affected
- Poor preparation for the launch date leading to confusion, error and frustration
- Teething troubles in the use of new IT systems due to poor or incomplete knowledge
- Misunderstandings in relation to working practices where training has focused solely on the technology
- Failure to optimise the investment made through poor and/or inconsistent application/integration of new processes and IT systems
- Lack of ability to identify opportunities to use the new system proactively to provide a better service
- Additional investment being required to support early post-change operations
- Increased resistance to future changes and IT systems if the initial implementation is racked by problems
- Delay in accruing the financial benefits sought from the new system.

New systems generally induce changes in working practices; the system is being introduced to improve performance, not just to speed up the way in which things are done currently.

The success of the new system lies heavily in the willingness and ability of its users to adjust to the new technology and effectively apply the new working practices required. Therefore, proper *change management* processes must be put in place. According to O'Brian and Marakas, (2008), change management is a set of techniques that aid in evolution, composition and policy management of the design and implementation of a system. Change is a constant factor that helps to move the organisation forward. However, due to cultural orientations, some staff are resistant to change in business processes. Thus, to ensure effective implementation and reception, there should be an institution of change management policies and a re-orientation to build a high level of commitment. If this is not done, the risk of failure is increased. Thus, *information, education, training and support* are recognised as critical success factors here;

**INFORM:** It is essential that everyone in the organisation knows, in advance, that the system is being implemented, understands the business rationale for its introduction and feels part of the implementation process.

**EDUCATE:** New systems generally mean new ways of working. Staffs needs to know how the work processes will change as a result of the new data sharing system including any adjustments to

interacting with clients, administration, documentation, sales approach and the resulting change in procedures.

**TRAIN:** Users have to be trained to effectively and consistently operate the technology. Training must focus on application of the new system in the context of the process, the business issues, and the user's role. The training should be as strategic as possible and very comprehensive.

**SUPPORT:** On-going support is required to build user confidence and to facilitate productivity. Reference materials and manager support will ensure that users continue to operate effectively.

The programme needs to support:

- The internal 'marketing' and launch of the new system
- Any attitudinal changes necessary for adoption of the new working practices
- The transfer of the required knowledge and skills to implement the system / process
- The long-term training and support needs of existing and new employees.

In conclusion, effective project management, change management and risk management puts the project introduction process under control. If these are not well carried out, risks will come up and control the project which leads to failure and a total waste of resources and efforts

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