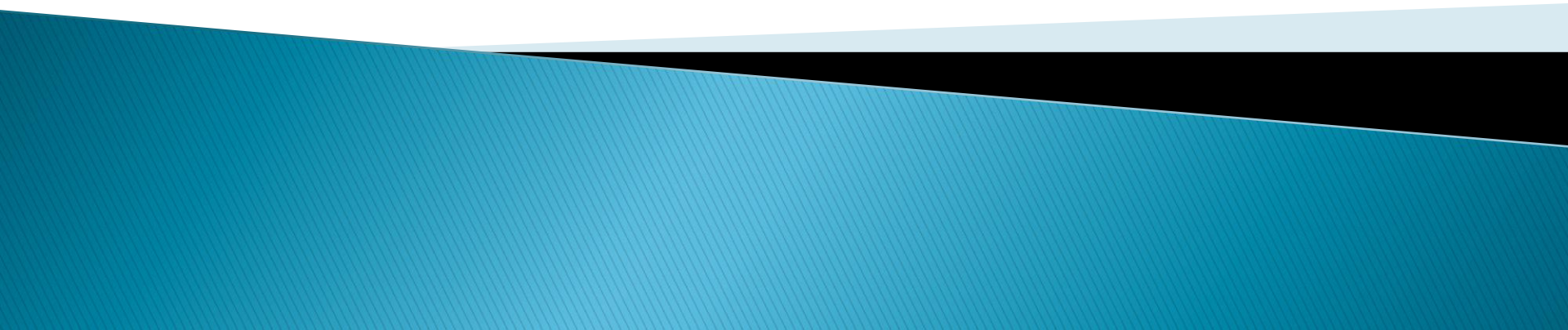
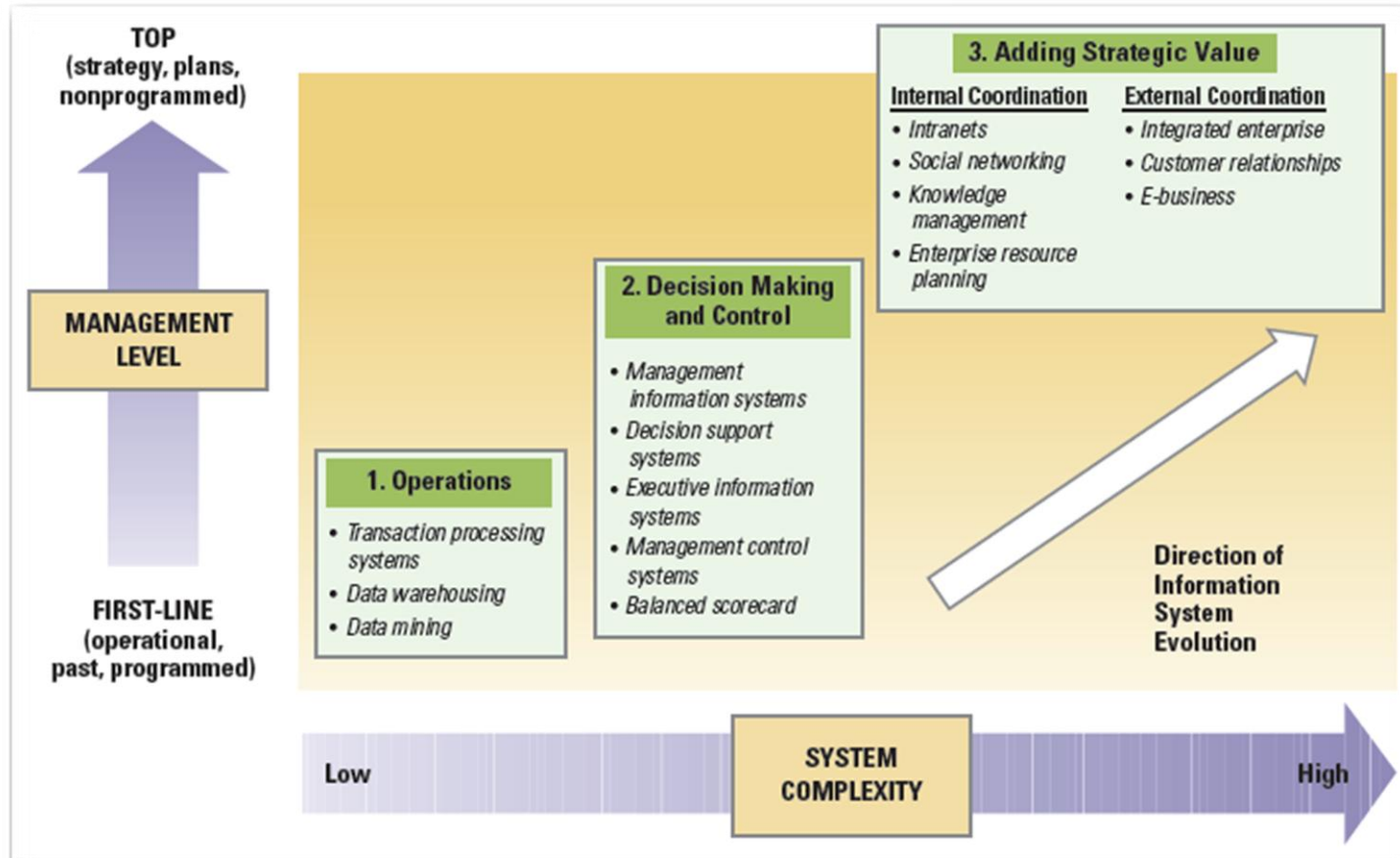


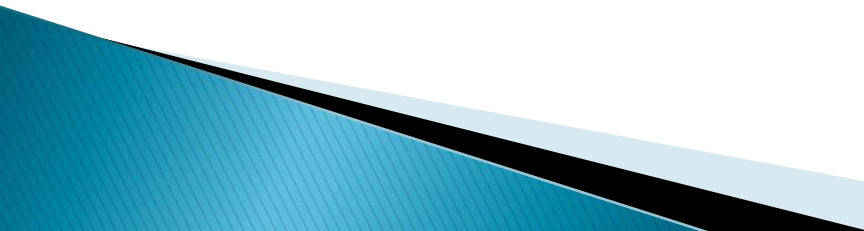
# Information and Control Processes



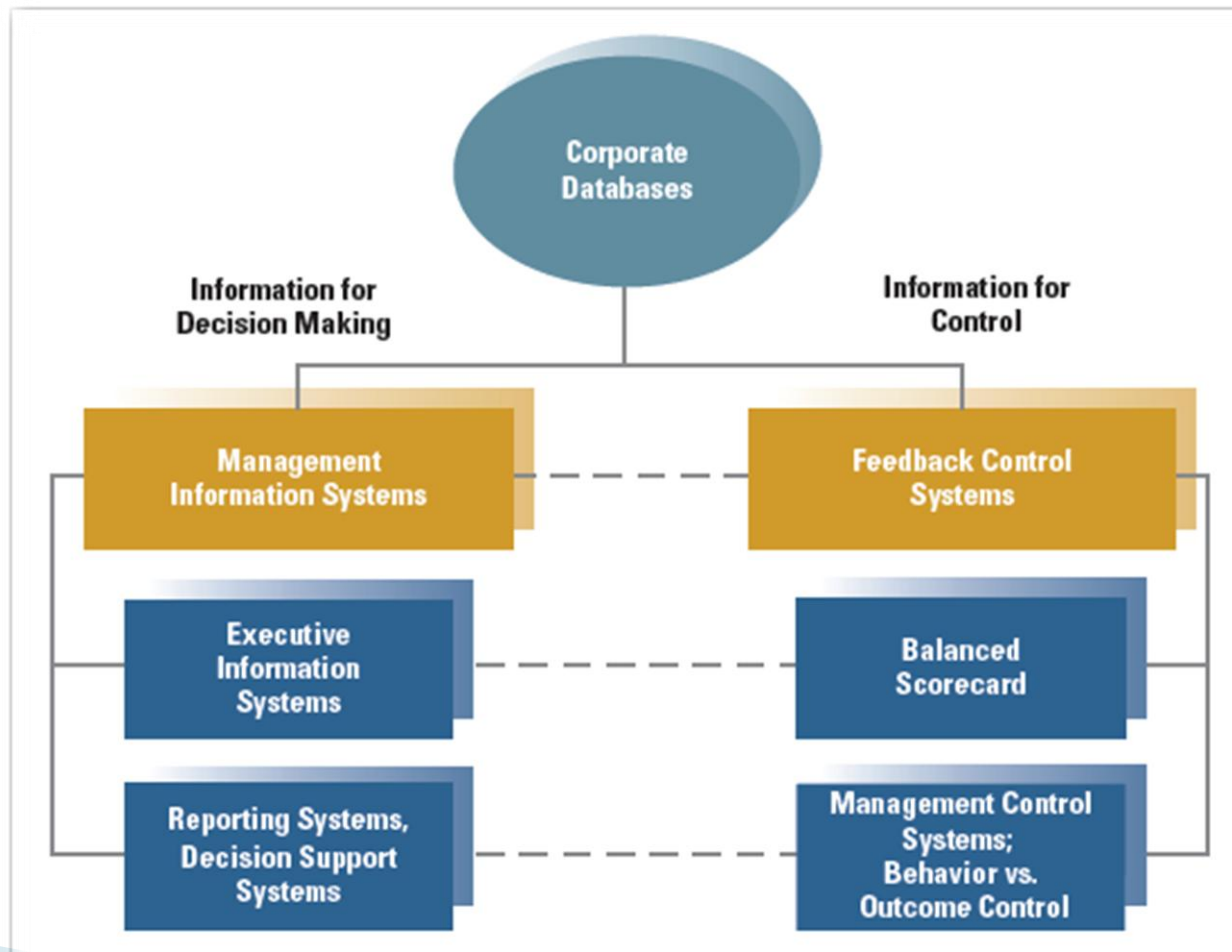
# Evolution of Organizational Applications of Technology



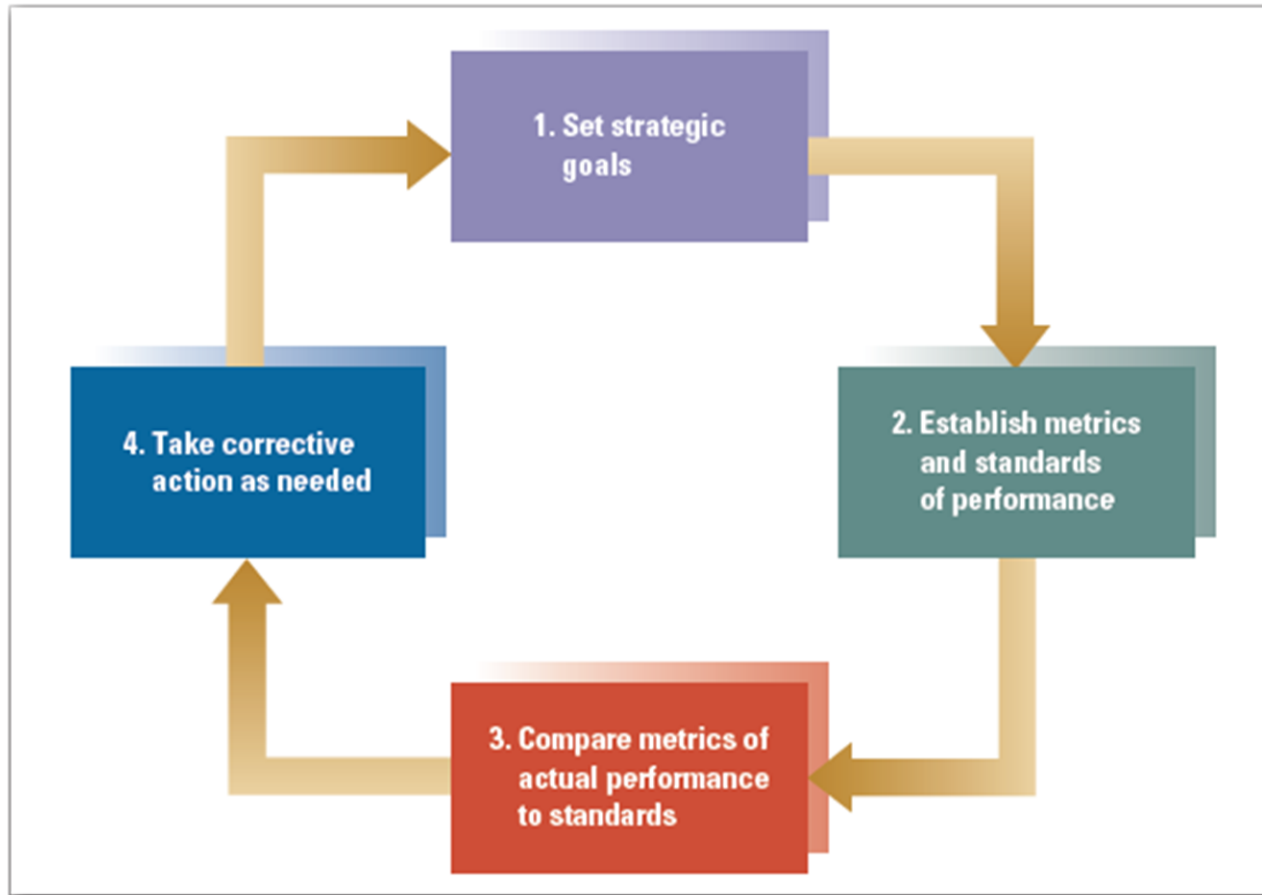
# Information for Decision Making and Control

- ▶ Technology can help managers make important decisions
  - ▶ Management information systems include:
    - Information reporting systems
    - Executive information systems (EIS)
    - Decision support systems (DSS)
  - ▶ Organizations are using technology to add strategic value
- 

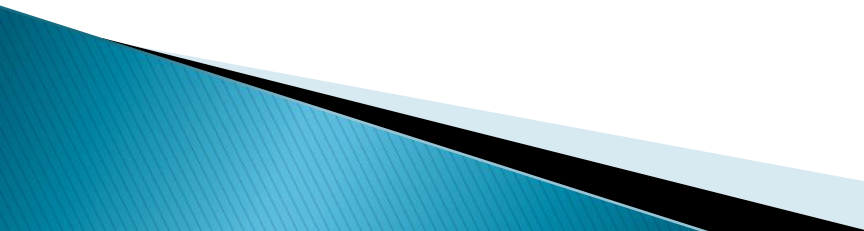
# Managerial Control and Decision Making



# A Simplified Feedback Control Model



# Management Control Systems

- ▶ Formal routines, reports, and procedures
  - ▶ Formalized information based activities
  - ▶ Controls include:
    - Budgets, financial reports
    - Reward systems
    - Quality control systems
  - ▶ Managers must define standards and measure performance
- 

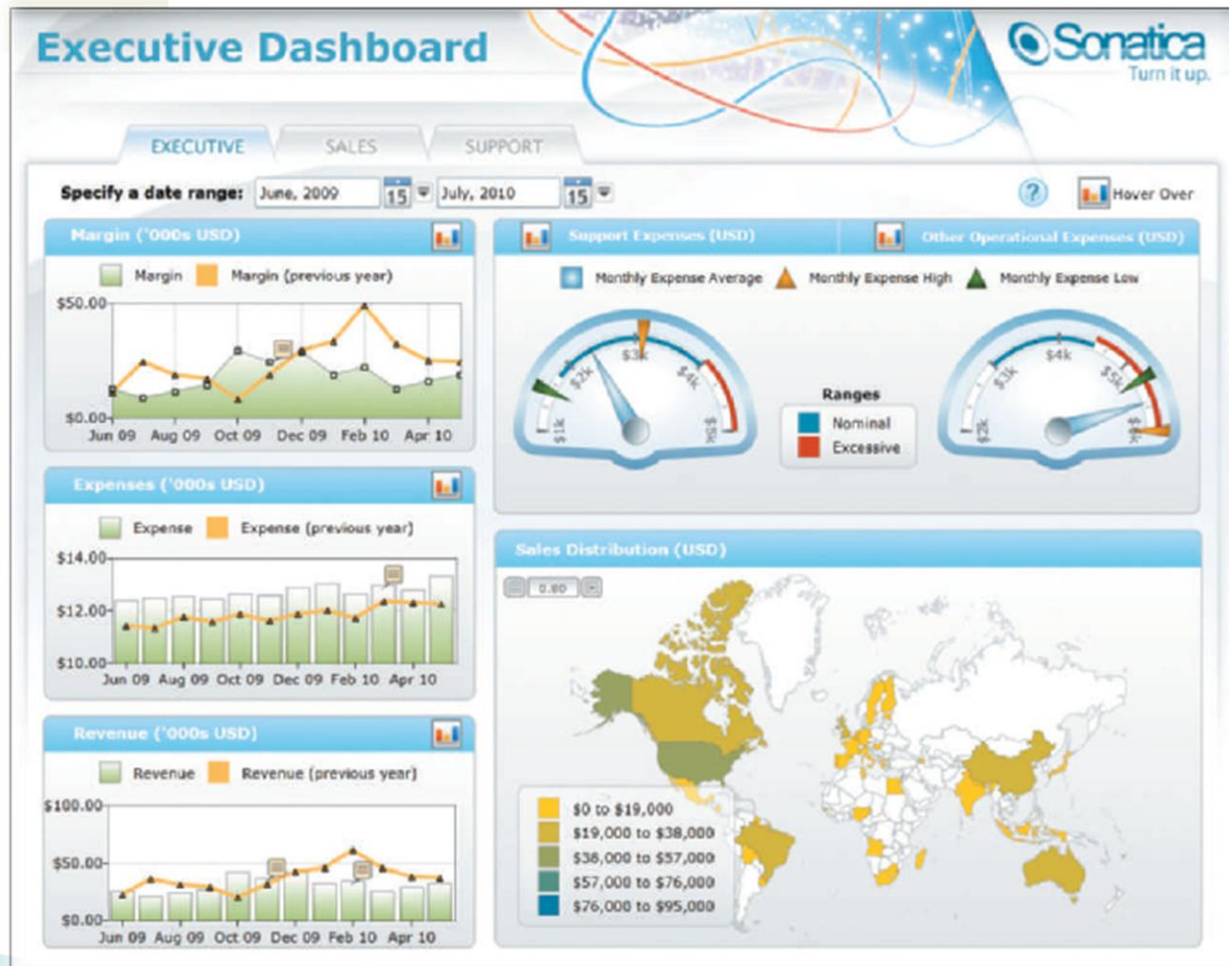
# Control Systems / Content Frequency

Subsystem	Content and Frequency
Budget, financial reports	Financial, resource expenditures, profit and loss; monthly
Statistical reports	Nonfinancial outputs; weekly or monthly, often computer-based
Reward systems	Evaluation of managers based on department goals and performance, set rewards; yearly
Quality control systems	Participation, benchmarking guidelines, Six Sigma goals; continuous

Source: Based on Richard L. Daft and Norman B. Macintosh, "The Nature and Use of Formal Control Systems for Management Control and Strategy Implementation," *Journal of Management* 10 (1984), 43-66.



# An Executive Dashboard

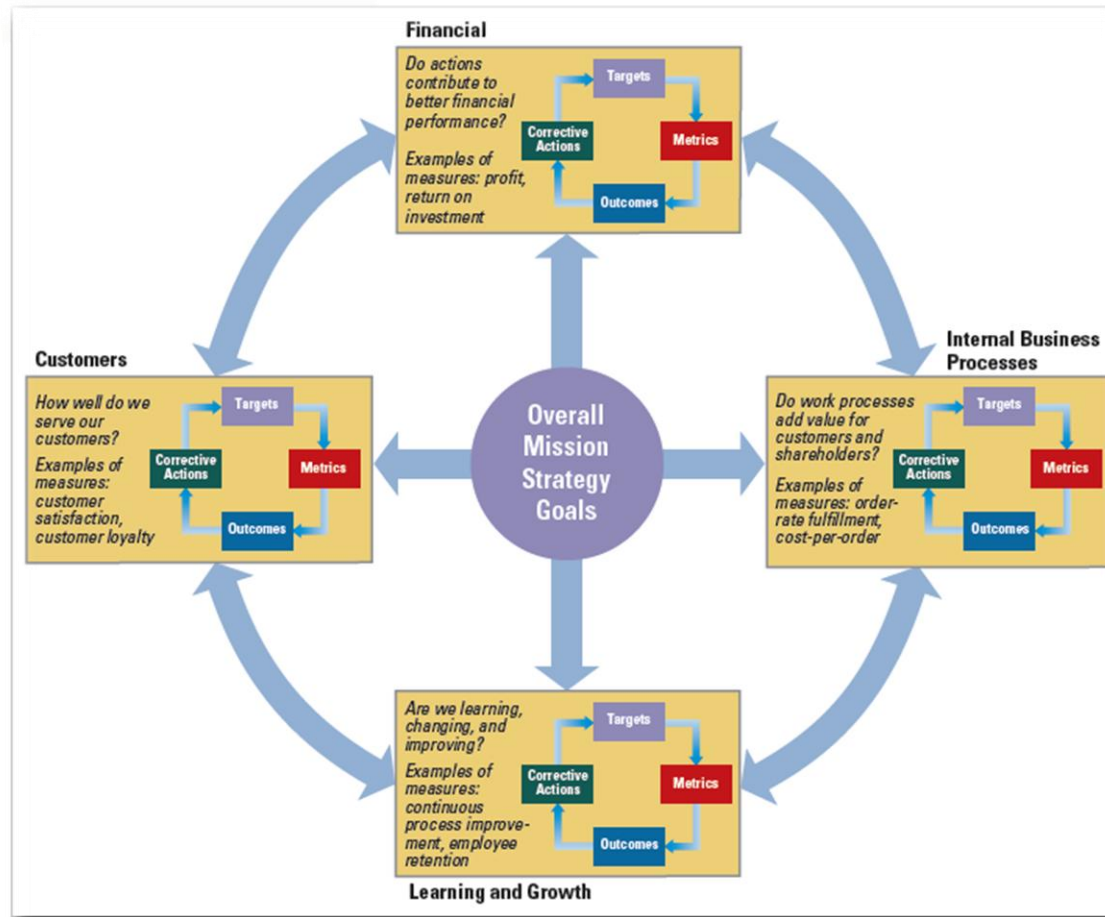




# The Level and Focus of Control Systems

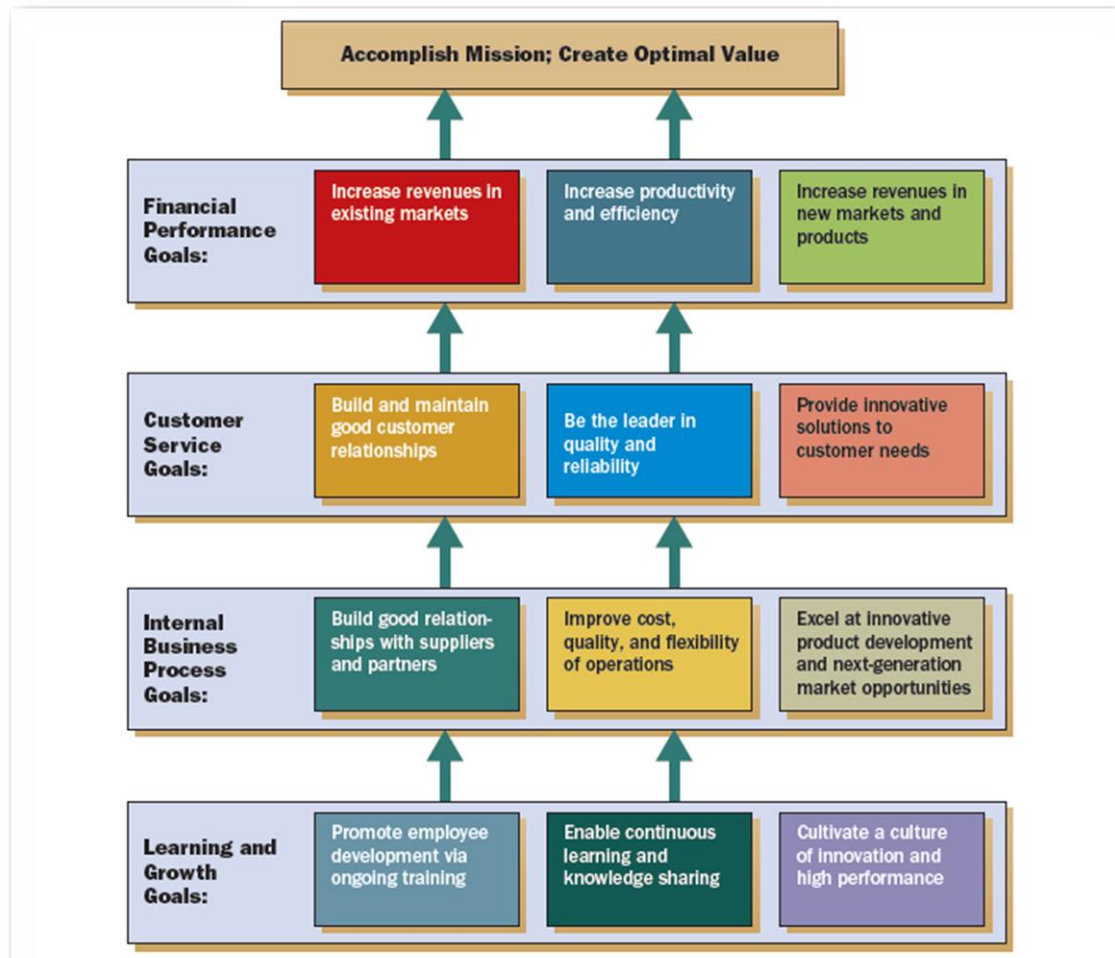
- ▶ **Organizational Level: *The Balanced Scorecard***
  - Measures financial, customer, employee, and market concerns
  - Comprehensive management control system
  - *Strategy map* – visualization of organization success drivers and how they are linked
- ▶ **Departmental Level: *Behavior versus Outcome Control***
  - How people do their jobs
  - Outcomes people produce

# Major Perspectives of the Balanced Scorecard



Source: Based on Robert S. Kaplan and David P. Norton, "Using the Balanced Scorecard as a Strategic Management System," *Harvard Business Review* (January–February 1996), 75–85; Chee W. Chow, Kamal M. Haddad, and James E. Williamson, "Applying the Balanced Scorecard to Small Companies," *Management Accounting* 79, no. 2 (August 1997), 21–27; and Cathy Lazere, "All Together Now," *CFO* (February 1998), 28–36.

# Strategy Map for Performance Management



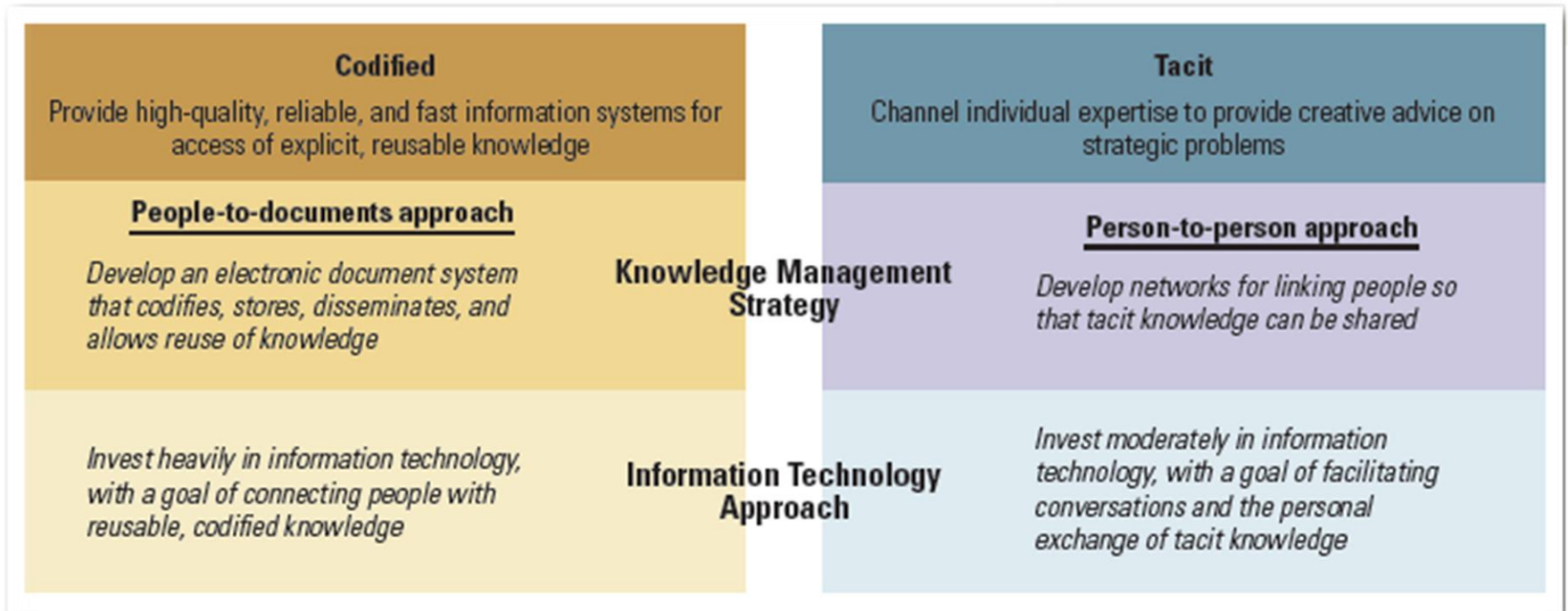
Source: Based on Robert S. Kaplan and David P. Norton, "Mastering the Management System," *Harvard Business Review* (January 2008), 63–77; and R. Kaplan and D. P. Norton, "Having Trouble with Your Strategy? Then Map It," *Harvard Business Review* (September–October 2000), 167–176.

# Strategic Approach I: Strengthening Employee Coordination and Efficiency

*Increasing internal coordination with customers and external partners*

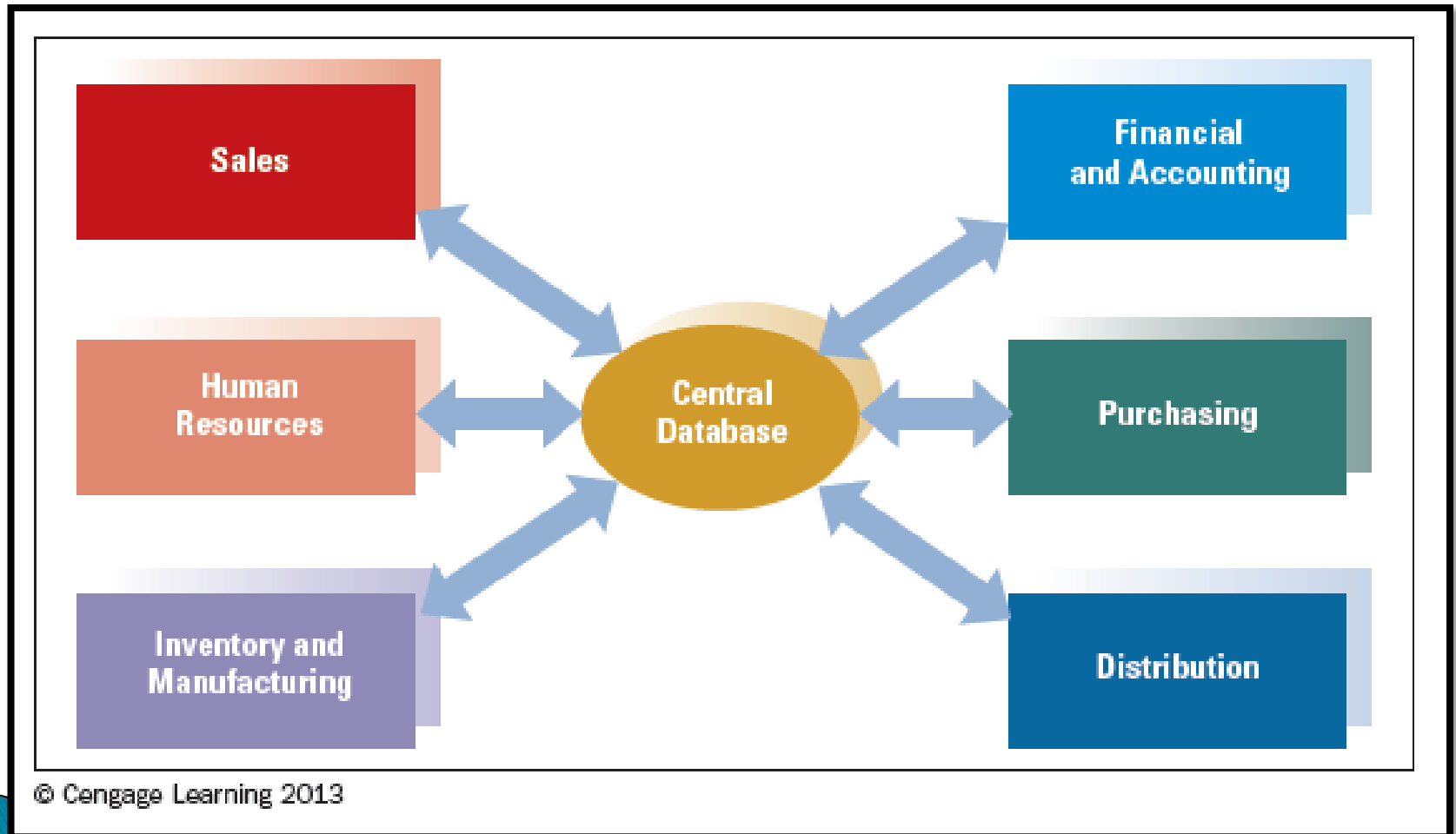
<b>Intranets</b>	<b>Knowledge Management</b>
<b>Social Networking</b>	<b>Enterprise Resource Planning</b>

# Two Approaches to Knowledge Management



Source: Based on Morten T. Hansen, Nitin Nohria, and Thomas Tierney, "What's Your Strategy for Managing Knowledge?" *Harvard Business Review* (March–April 1999), 106–116.

# Example of ERP Network

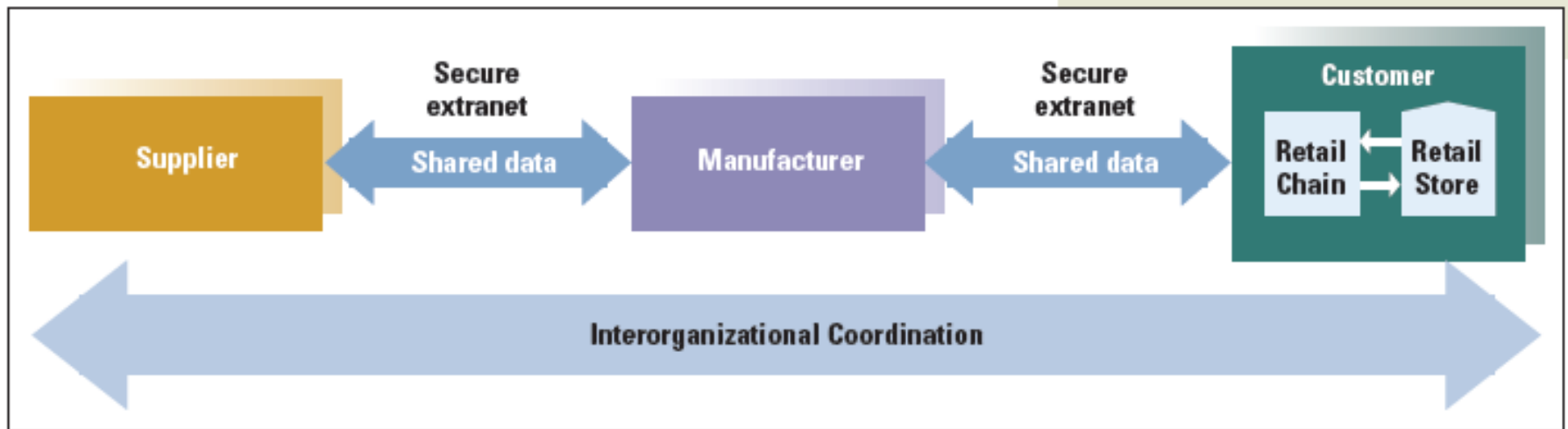


# Strategic Approach II: Strengthening Coordination with External Partners

- ▶ Strengthening External Coordination *with information technology*
  - Supply Chain Management
  - *Integrated enterprise*
  - *Enhancing customer relationships*
  - *eBusiness organizational design*
- ▶ The Integrated Enterprise
  - *Information linkages* are key for coordination
  - *Horizontal relationships* coordinate the supply chain to meet customer needs



# The Integrated Enterprise



Source: Based on Jim Turcotte, Bob Silveri, and Tom Jobson, "Are You Ready for the E-Supply Chain?" *APICS-The Performance Advantage* (August 1998), 56-59.

# Corrugated Supplies System in Action

*A customer submits an order via the Web, and the system suggests the optimum schedule.*



*An employee reviews the schedule and downloads it into the database. At the scheduled time, software downloads the order to production machinery.*



*Employees load rolls of paper into the machines, which transform the rolls into corrugated sheets to meet the customer's exact specifications.*



*That was fast!*



*The truck driver arrives at the loading dock, logs onto the network to see which trailer to take, and delivers the customer's order the next morning.*

*A wireless PC directs the forklift driver to take the order to the appropriate trailer.*

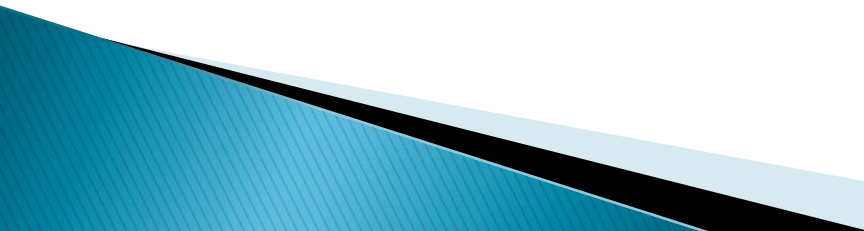


*The package is taken by conveyor belt to shipping, which scans the bar code and adds the correct shipping label.*

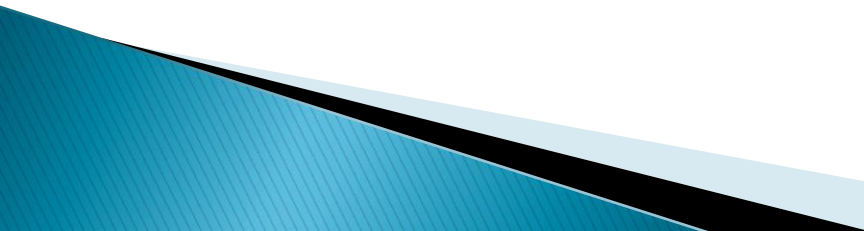
*Employees wrap the finished sheets and affix a bar code printed automatically by the system.*



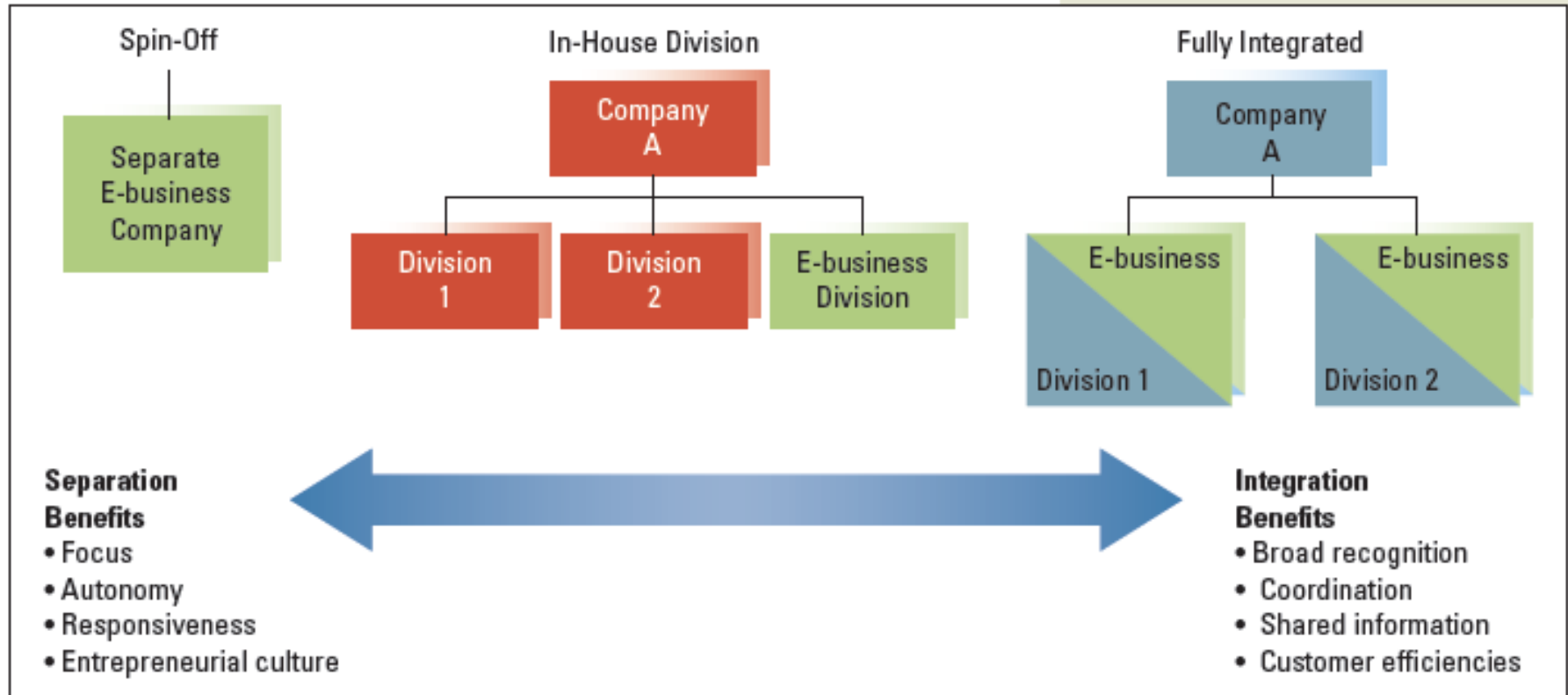
# Customer Relationships

- ▶ Many companies are applying technology to build customer relationships
  - ▶ *Social Media Directors* are blending marketing, promotions, customer service, and support through Facebook, Twitter, and company websites
  - ▶ 65% of companies use *company blogs* to communicate with customers
  - ▶ For CEOs, blogs and Twitter have become requirements
- 

# E-Business Organization Design

- ▶ E-business is any business that takes place over a computer network
  - ▶ E-commerce is transforming to m-commerce as more transactions take place on mobile devices
  - ▶ Managers must figure out *bricks and clicks* strategies
    - Separate business
    - Spin-off companies
    - Joint ventures
- 

# Strategies for Integrating Bricks and Clicks

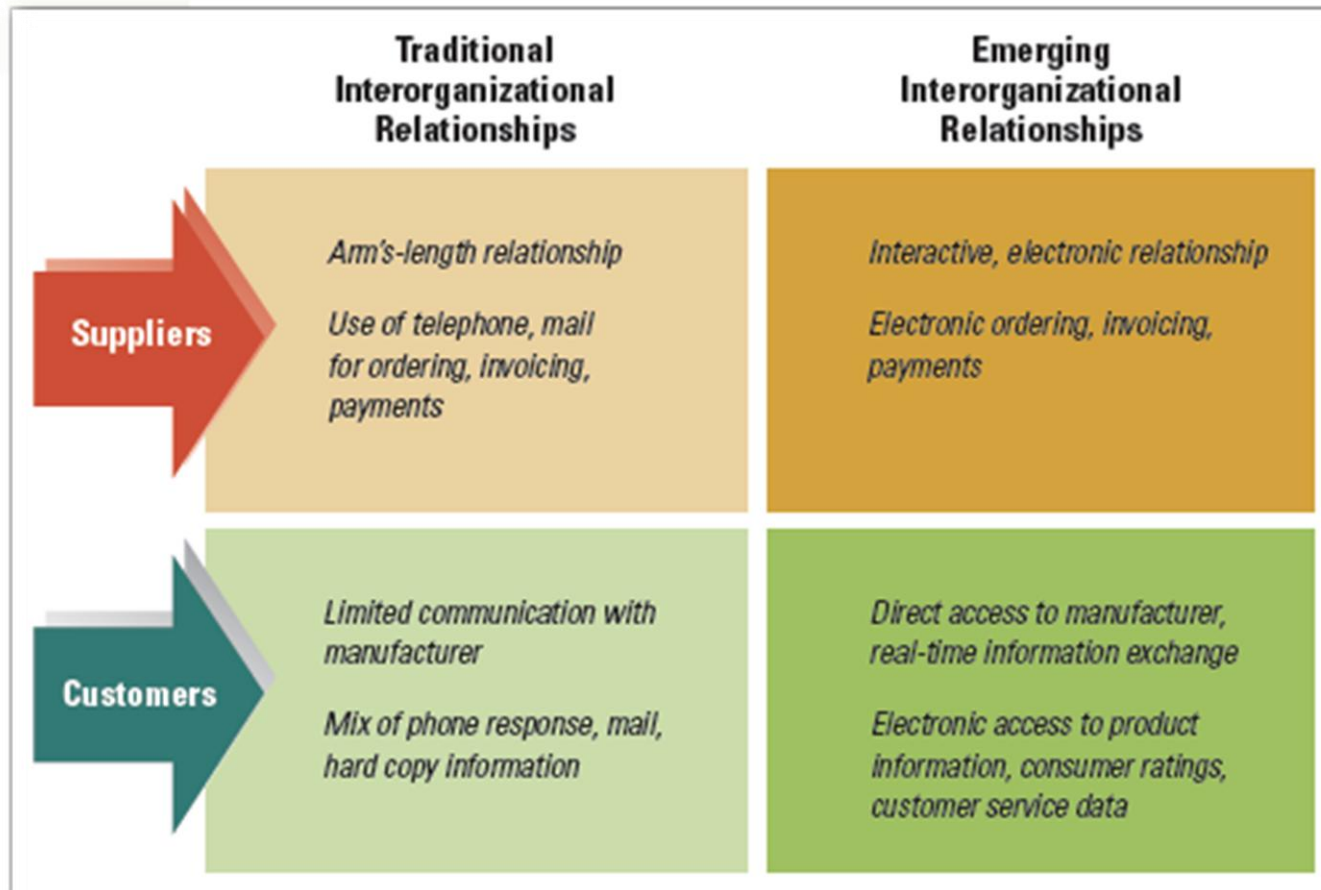


Source: Based on Ranjay Gulati and Jason Garino, "Get the Right Mix of Bricks and Clicks," *Harvard Business Review* (May-June 2000), 107-114.

# IT Impact on Organization Design

- ✓ Smaller Organizations
- ✓ Decentralized Organizational Structures
- ✓ Improved Horizontal Coordination
- ✓ Improved Interorganizational Relationships
- ✓ Enhanced Network Structures

# Key Characteristics of Traditional vs. Emerging Interorganizational Relationships



Source: Based on Charles V. Callahan and Bruce A. Pasternack, "Corporate Strategy in the Digital Age," *Strategy + Business*, Issue 15 (Second Quarter 1999), 10-14.



# Design Essentials

- ✓ Successful organizations leverage technology
  - ✓ Technology aids in better decision-making
  - ✓ Organizations must employ controls to measure performance
  - ✓ Technology is adding strategic value internally and externally
  - ✓ Technology is impacting the design of organizations
- 