

# Assessment activity week 6



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Volkswagen of America: Managing IT Priorities Q1 & Q2. We have to understand that when we are planning to implement a process in a company such as VW, there are various forces in play that need to be accounted for. Since the company is a global player, we have to understand how a decision made in a particular geography is going to impact the parent company and its global effect. In this case we clearly see that although there is a well defined sequence of action and the process followed to come to a decision is pretty logical, unfortunately the number of variables considered is limited and confined to VWoA only. This is not ideal because this does not represent the optimum solution for the VW group as a whole. One could say there is lack of synergy in the functioning of the company from a global perspective. The other issue in the case is that there is a disconnect with the way things are carried out, this is so because there are too many subsidiaries and fragmented teams that handle tasks which can be done by a single, core team. This would lead to information symmetry with is not the case currently. Although there is no doubt that there is going to be value addition to the company in the long run, to see significant results in the short run priorities have to be changed and looked at from a global perspective. The process has to be modified and restructured a bit to incorporate the current issues. For example the strategic team should look at the option of allocating funds based on criticality of the goal served and how the project would impact the overall development of the company. In fact a good way to evaluate a project is to see its weighted average score across the various goals specified in the NRG. Thus a project that might impact only customer loyalty might not be favored over a project that might impact new vehicle value and stable business infrastructure simultaneously because its overall

contribution would be lower towards the progress of the VW group. Q3. In the case we are told how IT was managed by multiple providers with no single entity entirely in control, this only complicated matters and slowed down decision making. Thus we can clearly state that there has to be some restructuring in the way things are run to bring in efficiency into the system. Some bold decisions have to be made which might not suit everyone. Q4. The five most important concepts gained are: 1. There is always a compromise that has to be made in real life situations; one cannot expect to come up with an ideal situation where everything is favorable for everyone. One has to try and optimize the result given the constraints. 2. Handling people and their prejudices is very complicated and difficult. 3. Setting priorities is one of the hardest and most complicated things a manager has to do. 4. When there are many teams that are involved it is very important to keep everyone in the loop as to what the others are doing so that synergy can be achieved. 5. It is very important to understand business from a global perspective and build strategy based on them instead of being narrow minded and looking at only area specific issues and parameters. Works Cited Austin, Robert D. “ Volkswagen of America: Managing IT Priorities.” Harvard Business School (June 14, 2007)