

Shinsei bank essay

[Finance](#), [Banks](#)



Shinsei is a classical example of an organization that has used information technology to redevelop its system and gain competitive advantage in the banking sector. Shinsei redefined its operations by ensuring that the strategies it employed were objective and developed out of need. It is important to note that though Shinsei has a good relationship with its stakeholders it has always been the customers' expectations and needs that defined the nature of operational strategies it employed.

Proper management of internal process which includes consideration on the effect that any development will have on existing structures has been central to the levels of efficiency with which the organization has managed its development agenda. These factors define Shinsei and must be given precedence in making a decision on the CRM system. Company Environment The current management took office under the platform of developing Shinsei within the same path of development as the previous administration.

Despite the levels of efficiency that Shinsei has attained in its various business segment the organizations is far from getting into a comfort zone. There are many banking sector players who having realized the power in technology and proper management of customer relationship are continually trying to improve so as to deliver more value to the market (Crouch and Housden 89). The levels of competition are high as customers' needs are becoming more defined by the day. Developing a reputation in the banking sector therefore plays an important part in determining the levels of competitive advantage that Shinsei will attain.

As much as Shinsei can attribute the levels of development that it has attained to information technology, it is the strategic approach that it used that actually added value to its operations (Velte and Elsenpeter 68). Shinsei did not implement strategies that others were employing but creatively developed an approach that aided the generation of value at minimal cost. This is the hallmark of the information strategy that Shinsei has been using and despite the high levels of competition in the retail and other banking segments it operates in it has managed to outshine a majority of its competitors.

Challenges and Opportunities Technology is one of the factors that add up to the high levels of dynamism experienced in the current operational environment. The importance placed on technology makes change in technology anticipated events in both industry and market segments. The CRM software has been reported as new in the market and there is therefore the possibility that it has features that are not contained in the current suites. Such features may play an important part in ensuring Shinsei achieves a competitive advantage with respect to the ease with which it will manage its customer relationship.

Moreover, the unit head has offered to fund and implement the systems with the aid of his personnel. This presents a chance in reducing organizational costs considering that the software is an off the shelf system. Shinsei has over the years employed cost cutting measures that were aided by high levels of innovation thus this approach is in line with the strategies that Shinsei has over the years been employing. There are multiple challenges

associated with accepting the offer by the unit head to separately procure and implement the off the shelf CRM unit.

Shinsei has been employing an approach where changes are made after research on the areas that an organization is lacking in; the procurement of the CRM unit will go against this developed approach and being an information system component it will affect the existing infrastructure negatively (Chorafas 51). The negative manifestation in this case include a high risk of clash with the existing system, irrelevance to the information needs of Shinsei, necessary additional complexity of the information system and a clash with the existing approaches to operations thus organizational culture.

It is important to note that though the procurement and the implementation of the system may be free of charge the cost that the organization can incur as a result of its implementation makes it a risky venture. Alternative Course of Action There are three course of action that Shinsei can employ in addressing the CRM system issue. First Shinsei can choose to employ the new CRM system and enjoy the benefits that come with the free implementation and procurement with the added bonus of possible better functionalities.

While this approach may lead to reduced installation cost and a perennial competitive advantage as other industry players adopt the same CRM system, it places the organization at risk of complexity in management and may even lead to reduced use of the current system that has not been diagnosed to be lacking in any aspect. Shinsei can choose to ignore the

proposed new CRM software for in essence the mode of its acquirement is contrary to the established approach by the organization and the current CRM system has not been diagnosed to be lacking in any aspect.

The organization has a well established approach to procuring and developing its information system that will be flawed by the adoption of the proposed new CRM off the self system. It is however worth noting that there is the possibility that the new CRM system is much better in addition of value to Shinsei thus by ignoring the proposal the organization may miss out on a chance to generate value and therefore gain competitive advantage.

Moreover, the unit head may lose morale if his proposal is just thrown out leading to a considerable loss of organizational performance.

Shinsei can choose to analyze its current CRM system and compare it with the functionalities provided by the proposed system thus determine the system that effectively meets its information needs more effectively.

Objectivity is important in this analysis since this alternative ensures the best system is employed under an approach that bears similarity to the one currently employed by Shinsei. It is however worth noting that this approach requires proper decision making and involves a lot of processes which may have a toll on organizational performance and even affect its resource ability (Yip and Bink 62).

Recommendations Shinsei should have a thorough look at the CRM system it currently implements, trends in technology, nature of changes in information needs and the new CRM system to determine which of the two system could provide it with sustainable value in terms of meeting its information needs

with special consideration on the non financial costs that the organization may incur in implementing the new system. Though this approach may be costly on Shinsei, it balances between the risks and opportunities while ensuring that the organization operates within its defined framework.

Information technology is changing quite fast and so are the expectations and needs of the end consumers (Magyar and Zupancic 67); this is reflected in the nature of products that grace the information market. Though the emergence of a new product may be a reflection of change in trends, it is important that Shinsei develop its information system in a manner that ensures it meets its information needs while being well fit within the organizational structures. Shinsei must review its approach to ensure rapid changes in technology are monitored for in essence they affect its information needs thus what is required of its information system.