

Info systems in corporate setting essay examples

[Business](#), [Company](#)



Question 1: Strategic Management

Chrysler Automotive was able to successfully align its new strategy with new technology, behaviors, and structures. Although the company wasn't able to exactly sustain all of the changes that its leaders imposed, some of the changes it underwent could still be considered remarkable in the realm of organizational change.

One such change was brought about by Chrysler's inability in the mid-80s to gain a competitive edge over its main competitors, Toyota and Ford (Cushman, 1995). This problem actually started in the late seventies when Chrysler lost its market share and was performing so poorly that it came close to going out of business (Jex, 2002).

There were a number of things that led to these problems at Chrysler. One was the big strikes that its employees held in the late 1970s (Jefferys, 1986) and another was a disparity in the company's management culture where there were instances in which management was a totally closed group while in other instances, management would be more welcoming of new organizational members and new ideas (Jefferys, 1986). Similarly, some technical functions were efficiently carried out in some instances and inefficiently in others. Moreover, there were times when management chose an authority system only to discard it in favor of another. These problems led to the slow completion of car designs and the slow production of the actual cars, making Chrysler lag behind Ford and Toyota (Cushman, 1995).

Chrysler also reduced its workforce by removing the employees and managers who were incapable of learning and implementing the new skills and tools that were necessary for achieving the company's goal of creating a

world-class research and development and production center. By 1991, the restructure of the company's auto division was completed. With the new competencies already established, the company was able to steadily bring new products to the market, in turn enabling the company to expand its market shares and to offer more varieties of cars for every platform. It also led to an increase in the company's stock price.

However, in the 1990s, the company had to again undergo another change, particularly in its culture (Baumeister & Bushman, 2010) where the poor quality of customer service they provided led to high losses and low profits.

To address the problems, CEO President Bob Lutz launched a cultural change program called Customer One (Fox, n. d.). This program involved everyone.

In particular, the company's customers, suppliers, and employees were given the opportunity to provide feedback and suggestions on car designs, which were kept and implemented at a later time. As a result, the customers' wants were aligned with their needs.

As well, all of the departments involved agreed on a common set of objectives right from the start and everyone made sure to focus on these objects. Moreover, changes were not allowed, especially at the last minute, as changes at this stage could be very costly. By involving everyone throughout the entire process, each member of the team became more responsible and accountable for adhering to and working towards the group's and the company's objectives.

In addition, Chrysler partnered with Honda by adapting some of the processes implemented by Honda. A practice of conducting lessons learned sessions was also implemented. These enabled members of the organization

to learn what they did right and what they could do better, which in turn led to process improvements. Moreover, the company changed the way it rated its dealerships by focusing their criteria on quality and support. The company made sure that the dealers were informed of negative survey results in order for the issues to be resolved and it also made sure that the dealers followed through on the customers' complaints.

As a result of this cultural change, Chrysler was able to reduce its overhead costs by about \$ 5 billion (Fox, n. d.). The company's stock price also increased by four times and the company became profitable again, with a new line of trucks and cars being released every year.

Question 2: Building a Strong Relationship with the Business

As the CIO, I would employ a collaborative style in managing the communication problems between the business and IT departments. This style advocates for cooperation and teamwork in the achievement of goals that both parties find acceptable (Weinstein, 2001). With this style, the different perspectives of both parties are considered.

In addition, the managers of both departments should have a common understanding and vision of how the organization works as a whole. It should be ensured that the business model and the business strategies are aligned. With a business model that's clearly defined, it becomes easier to develop the strategies that would enable the organization to obtain value in a manner that its competitors cannot.

As well, I should help ensure that both departments are focused on interests and not on positions where interests refer to each department's aspirations

and needs, which serve as their motivation for their advocacies. On the other hand, positions refer to the various stances that each department takes regarding the different issues that may arise (Griffin & Daggatt, 1990). As such, while each department may take different positions on certain matters, it may still be possible to identify common interests and focus on ways to achieve the goals that result from these interests. With a collaborative relationship, decisions should also be made jointly by the leaders of both groups. Similarly, as the CIO, I would regularly meet with both the senior business leaders and the company president in order to discuss both the IT and business strategies. This ensures that the business leaders are committed to all of the IT projects.

In addition, I should advocate for creating win-win situations across processes, departments, and individual employees (McKeen & Smith, 2012). In particular, IT initiatives should focus on the development of business capabilities that span across various functional areas.

Similarly, I should recognize that the value that IT brings to the company is subjective and so I should be able to manage the perceptions of the business leaders and the other organizational members with regards to IT. In particular, many of the business leaders of organizations still fail to recognize the importance and value of IT as part of the organization's business strategy. While some business leaders partially buy in to the IT initiatives, others continue to have negative perceptions about these.

One of the factors that affects the organization's perception of IT is that various parts of the organization have different experiences with IT where one area may find IT to be efficient while another area does not. Different

business units also have different IT needs where some business units consider IT as a service while others consider it s a key factor that differentiates it from its competitors. Moreover, it can be difficult to change the negative impressions of a dissatisfied business unit.

Still another factor that affects the organization's perception of IT is the views that the organization's executive leaders have about it. If they have positive perceptions about IT then IT initiatives are bound to be widely implemented across the organization. On the other hand, insufficient support from leadership can cause these initiatives to remain stagnant. As well, expectations from IT keep increasing, which can lead to business leaders developing unrealistic expectations.

The final step in managing perceptions is to continuously monitor and asses them and to use the results as indicators of how well IT is able to meet the organization's objectives.

Question 3: Information Management

Chevron is one of the companies that has successfully implemented knowledge management. This endeavor has led to benefits amounting to \$650 million (Morey, Maybury & Thuraisingham, 2002). It has led to reductions of over \$2 billion per year on the company's operating costs and around \$200 million per year on energy costs (Derr, 1999). It has also led to the company's capital efficiency improving by 10 to 15%; its productivity increasing by more than 30%; and its employee safety performance improving by over 50% (Derr, 1999).

It can be said that the process employed by Chevron in creating the roadmap for its Knowledge Management initiative is very similar to that outlined by McKeen & Smith (2012).

Just as McKeen & Smith (2012) proposed, the first step taken by Chevron was to create guiding principles, which would serve as a guide for developing and enhancing the company's Knowledge Management initiative.

In particular, Chevron CEO Kenneth Derr was a strong proponent of building a learning organization through the management and sharing of knowledge throughout the organization (Derr, 1999). According to Derr (Stuart, 1995), Knowledge Management is necessary to survive in a global economy. In line with this, the company published *The Chevron Way*, which served as a strategic framework for guiding the company towards the achievement of its goals (Ahmed, Lim & Loh, 2012).

The next steps, according to McKeen & Smith (2012), are obtaining an inventory of the organization's current technology and performing a gap analysis. After performing these steps, Chevron launched an initiative called the Global Information Link (GIL) where all of the employees' personal computers were replaced "with a common machine, software and connective system, creating a single desktop and operating environment, worldwide" (Derr, 1999, p. 4). The establishment of a common IT platform enabled the organizational members to communicate and share and to participate more broadly and deeply in the Knowledge Management initiative (Holsapple, 2002).

The fourth step, according to McKeen & Smith (2012), is the technology landscape, where an organization must invest in research and technology in order to stay updated when it comes to advancements in the field. For this effort, Chevron developed a Process Masters program, which consists of 7 experts who work full-time in supporting the Best Practice teams across the key functions that are common in all of Chevron's six plants (Derr, 1999). In each refinery, there are also employees who work in best-practice groups aside from attending to their regular tasks. As well, the company launched the Technology Brokers program where 6 employees work full time on tasks that are dedicated to searching for best practices in gas and offshore operations (Ahmed, Lim & Loh, 2012).

Research would then lead to the identification of future technology (McKeen & Smith, 2012), which is the next step. In the case of Chevron, this led to the company's implementation of the Organizational Learning System (OLS), which it used as a map for planning, executing, and evaluating works that were ongoing (Ahmed, Lim & Loh, 2012). It is a software application that captures information about the first wells that are drilled in a new area, which enables the workers to drill the rest of the wells in a cheaper and faster manner (Derr, 2012).

It can be said that the migration strategy used by Chevron is the same strategy that it used to sustain the learning. While The Chevron Way already provided guidelines on how to migrate to the new technologies, the company also developed the Chevron Best Practice Resource Map. This resource map shows the major knowledge sharing initiatives within the company, which

enable organizational members to find the resources they need.

Furthermore, Chevron's leaders motivate their employees to practice the desired behavior by involving them in business process initiatives, which in turn make them feel empowered. They are also further motivated through the stories told by the executives and by the executives repeatedly conveying messages that encourage knowledge sharing. These allow such behaviors to be inculcated within the employees' values. The leaders also led by example and they rewarded positive behavior.

As for governance, Chevron's senior executives are clearly in charge of the strategic governance where they are responsible for making the critical decisions regarding the company's Knowledge Management initiatives. However, the responsibility for tactical governance is placed on the various business process and research and development groups that continue to search for and identify new and better ways of doing things at Chevron.

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