

It governance danone essay

[Business, Corporate Governance](#)



DANONE CORPORATE GOVERNANCE Analyze DANONE'S corporate governance strategy in the three major areas of "effective IT governance mechanisms" Mechanisms that facilitate decision making: First of all, Information Technology (IT) governance means the decision rights and accountability framework for encouraging desirable behavior in the use of IT.

In recent times, IT governance has become critical for ensuring that IT-related decisions match company-wide objectives; particularly with the development of various tools in the IT area. Good IT governance makes companies more successful by establishing coordinated mechanisms that link objectives to measurable goals. According to the article "Recipe for Good IT Governance", there are five types of decisions companies can go through: 1. IT principles decisions dictating the role of IT in the enterprise 2.

IT architecture decisions on technical choices and directions 3. IT infrastructure decisions on the delivery of shared IT services 4. Business application requirements decisions for each project 5. IT investment and prioritization decisions Before Analyzing Danone's corporate governance strategy, one should look on to the "Effective IT Governance Mechanisms" which are categorized into three areas and scored on a 1 to 5 scale, 1 being highly ineffective and 5 being highly effective: Effective IT Governance Mechanisms To have good governance in terms of information, a company needs to: first, limit the number of decision-making structures and give clear responsibilities for each type of IT decision to individuals who can accept accountability for the outcomes of those decisions. Second, they should create overlapping responsibilities for IT decisions to ensure cross-coordination.

Finally, senior management should be involved in major IT decisions since they establish strategic direction and define desirable behavior for the management and use of IT. To look at DANONE as a company, it has a unique way of operation, which gives the organization its value, separated from other globally operating companies and it can be largely characterized as openness, idea-sharing, and team spirit, with a goal to maximize employee involvement. It also operates in regional levels along with product categories, in contrast to other global companies which usually have very structured centralized systems. Managerial community and P&O (People and Organization) are two models that show the uniqueness of DANONE's operation and enable the company to work in a much decentralized manner, easily interacting with diverse departments of the network system. By having the flexible, decentralized system, the company becomes able to adapt to local changes-surrounding environments. DANONE has also introduced web 2.0 to accelerate decision-making. Web 2.

refers to web applications which facilitate interactive information sharing, interoperability, user-centered design and collaboration on the World Wide Web and in the case of DANONE it includes blogs, video chat and wiki.

Finally, the company has a " Biological company model". It emphasizes innovation and thus includes frequent workshops. The company also implemented tools such as SAP and ERP which stands for Systems Applications and Products, and Enterprise Resource Planning respectively. To emphasize the ' network' they also have a ' market place' which is a management tool for sharing and exchanging ideas.