15.571 Generating Business Value from Information Technology
Spring 2009

15.571
Generating Business Value
From Information Technology

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The 15.571 course outline

Emphasis on case studies of successful firms:
- Succeeding with alternative operating models
    - **UPS, Pacific Life, 7-Eleven Japan, Merrill Lynch**
- IT decision making and governance
    - **Colway Stores, Campbell Soup**
- Business architecture and change management
    - **Southwest, Aetna**
- Managing globalization and business process risk
    - **Dow Chemical, Swiss Re**
- Business value outcomes: operational excellence, agility, and innovation
    - **Locatel**

Guest speakers:
- **John Glaser, CIO, Partners Healthcare**
- **Joe Spagnoletti, CIO, Campbell Soup**
- **Yury Zaytsev, CIO** (retired), **Swiss Re**
- **Executives from Locatel**
- **Researchers from MIT CISR**

Readings: thorough reading of case studies; other readings for insights and concepts

Expectations for 15.571 members

- Class participation
  - Attendance is required —all absences must be reported in advance to the TA (unexcused absence will reduce participation grade)
  - Class discussions are important to evaluation
  - Prepare every case thoroughly
- Debate presentation (individual assignment)
  - See debate questions. Need volunteers immediately for next week's cases.
  - 4 people per case will prepare arguments; at least 2 will present
- Group case assignment
  - Colway Stores, SES #11
- Group project
  - You may choose a company that you can use as an example for purposes of applying class concepts, or
  - CISR sponsors have suggested projects you can apply for. These projects will be posted by SES #3; applications due by class time SES #5; you will be notified the next day.
  - Finalize teams and projects (recommended team size is 3) by end of day in SES #7 — brief description due

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Settling in and looking ahead

- Vote on distribution of slides (paper or "go green")

- Volunteers for debates in SES #4 and #5: email TA

- Professional standards

  - **Arrive on time and stay until the end**

  - **Respect classmates (no private conversations)**

  - **No email**

  - **Cell phones off**

  - **No plagiarizing**

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Projects Proposed by CISR Sponsors

- Aetna
  - Business model for a Health Information Exchange. How can Aetna monetize the value of clinical decision support?
- BT
  - Project 1: A simple representation to help CIOs think about how knowledge workers use IT and what the IT unit should do for them.
  - Project 2: Identification of the business processes that can be usefully communication enabled.
  - Project 3: Proposed hypotheses and future scenarios for IT in a world where processor speed will no longer grow exponentially.
- EMC
  - Assessing EMC's governance and IT organizational model as it transforms to meet the needs of a service-based business.
- Raytheon
  - Project 1: Identifying the critical success factors for a social networking initiative
  - Project 2: Measuring business value—different perspectives of Raytheon's 6 businesses and 9 enterprise functions.
- State Streeet
  - Project 1: Research into the question "how much cheaper is offshore?"
  - Project 2: Recommendations on the structures, processes, and methods that can drive reuse across the enterprise.
  - Project 3: Recommendations for organizing the IT unit around data rather than traditional business units.

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First Project Deliverable

- SES #7 deliverable is a one-page proposal listing
  - team members
  - company name
  - a brief description of the project (i.e. objectives, deliverables, and a little background)
  - the key contact with whom the team will be working

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What we will study

- The digital economy is not just about using computers and networks; it's about using them well.

- ***Problem:*** Most firms have messy legacies of accumulated systems and processes.

- ***Opportunity:*** IT should reduce undesirable variation in business processes while supporting employee empowerment. This has proved a tough formula to define.

- ***Opportunity:*** IT should help firms understand their strategic options. But few firms use it that way.

- ***Critical Success Factor:*** Business executives must own decisions about strategic use of IT.

This course examines how some firms drive value from IT. We will study how firms can design effective digitized processes and use IT to drive strategy.