GLOBAL OPERATIONAL STRATEGIES IN SERVICES OF INFORMATION TECHNOLOGY

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Abstract

The role of globalization in the emergence of new contest of technology generation in the world economy. The majority of enterprises have yet to advantages from combining shared services and outsourcing into one inte- foreign direct investment is a factor causing the emergence of more novel industries with the more sophisticated technology generation affiliated with patenting, but not in the recent surge of newer startups with the basic capabilities needed to become licensors in the world economy. Yet step-up in the international spread of auxiliary research efforts in multinational corporations have inclined on average to reinforce the position of established service centers of higher grade strategy of Information Technology.

Keywords: globalization, innovation, emerging trends, Industrial Internet

Introduction

Before a decade, Information Technology considered as supportive to a company's future success. Today however, Information Technology has become an integral and vital component to a company's strategic planning. The gradual beginning of modern contest between Information Technology vendors such as International Business Machines Corporation (IBM), Systems, Applications & Products in Data Processing (SAP) and Hewlett-Packard Company (HP), large electrical equipment manufacturers such as General Electric Company (GE) and Siemens AG are also enrolling the global Information Technology market. However far fewer works actually suggest how the Information Technology strategic planning process can

[1] Alcide De Gasperi University of Euroregional Economy, Jozefow, Poland

be improved to increase plan alignment and ultimately the success of the strategic plans developed.

One aspect of the Information Technology business strategy is that it seeks to use productivity as a way to overcome issues facing society and to make customer measures. Its begin to getting more vigorous a customer's assets by unity and its leads to a significant increase in that customer's annual profit. This contribution to the growth market is known as "innovation in economy," and the way to accomplish it is the Industrial Internet. Specifically, improve productivity and reduce costs through the use of Information Technology is the ultimate goal of this strategy. The industry seeks to optimize asset performance and operation through a unification of operation technology and Information Technology by standardizing the interfaces between equipment and Information Technology used in the workplace at all steps, from releasing and obtaining orders to production. The Information Technology industry, as though pushed by an invisible hand and pulled by a powerful magnet, is constantly evolving in order to achieve a more perfect state of reach, range and maneuverability. This manifest destiny of perfect reach, perfect range and perfect maneuverability-joined with the traditional strategic vectors of speed, cost, value added focus, leverage, surprise, simplicity, adaptability and alignment – explains industry movement and change

The Evolution of Global Business Information Technology Services to fulfill Business Objectives

Corporate executives struggle with competitive pressures to be aggressive in the market, but often lack the required capital to develop important administrative and support processes. In too many instances, corporate functions act alone and fail to provide a convincing cross-functional business case. For example, Information Technology organizations may attempt to invest in applications without close linkage to operations, marketing or other important functions. Other times, functions focus too much on their own operational efficiency, instead of their contributions to broader corporate objectives. For instance, HR organizations may outsource their processes to drive down administrative costs, but fail to build a business case that provides or develops highly talented, cost effective human capital to global operating units.

To accelerate business benefits such as lower cost of operations and improved business processes, the vast majorities of organizations centralize some functions into shared services and outsource various others to third-party service providers. While these initiatives are often singularly

successful at providing benefits to the individual function, research shows that these initiatives have, in most situations, failed to improve comprehensively the broader corporate strategic objectives of these organizations. costs, but other important benefits such as transformation, new technology and innovation lag far behind. Organizations need to focus on aligning corporate strategy, improving investment portfolio decisions and reallocating current spending. They are adopting global business services models. The executives at these enterprises are corralling their functional leaders and third-party service providers to assess common business practices to operationalize their company's strategic global objectives. Then, they are together making three to five-year technology decisions to address the most challenging issues, such as applications consolidation and establishment of common business processes. To accelerate these changes, these companies are leveraging economical shared services and third-party relationships to develop process acumen, reduce labor costs and consolidate operations. organizations still need to reduce cost, but they are executing global business services strategies that will improve global operational effectiveness and enable them to meet increasingly complex global regulatory requirements.

Despite this, both the international business and strategic management disciplines have tended to ignore global Information Technology management issues and that significant research has begun to focus on how Information Technology can be used strategically, as a lever for global market leadership. It might be money that makes the world go around but it is Information Technology that keeps the orb on its axis and the best organizations know how to harness Information Technology for competitive advantage.

The ultimate aim is to make customer businesses smarter through two core businesses: one that resolves customers' management issues through management consulting and big data analytics, and one that provides operational and other fee-based outsourcing services.

Global strategic business planning

There have been many terms used to refer to an organization that has multiple physical sites located in different countries. For example, multinational, worldwide, global, international and transnational [3] are readily found in a myriad of texts. The use of the term global organization in this paper is purely aimed at the representation of an organization that has multiple physical sites located in different countries around the world. That is, a global organization is one that operates across international borders

through and in conjunction with affiliated but geographically dispersed sites. To compete in a global economy requires an organization that is managed on a global basis [2].

Many global organizations state that they have a 'global' strategy. But is this strategy simply an extension of the first 'home-base' strategy, or is it really a strategy for globalization? Yip argues that a truly global organization must not rely on the former but must seek to manage the business on an integrated, worldwide basis. This requires more than just a rearrangement of the lines and boxes on the organization's structure chart. It necessitates a change in mindset that requires managers to think in new and innovative ways. Managers must not only seek to integrate activities across geographically dispersed sites but must also accommodate the speed of change and dynamics of competition that occur in world markets. Unfortunately, most traditional strategic planning techniques fail to incorporate such issues [2, 3] and with resource reorientation taking as long as five years, this stands as one of the major challenges to global organizations in today's dynamic world. In addition, other cross border issues such as national culture and ethics, government policy and regulations and economic stability must also be considered. With these issues in mind the global strategic planning process is aimed at 'maximizing global economies of scale and scope, whilst still incorporating local responsiveness to customers in the countries in which the organization operates.' How then does an organization develop such a global strategy?

Contribution through expansion of global Information Technology service business

Services for Global Manufacturers in response to factors such as demand that fluctuates on a global scale and the intensification of price competition, the establishment of global development, production, and supply capabilities has become an urgent task for manufacturers.

Furthermore, to expand the business into higher level operational services, big data analytics platforms global service platforms designed for particular applications. The technology and available solutions for finger vein authentication in the form of biometric authentication solutions, including examples of overseas applications. In the future, companies will proceed with establishing a business for the issuing (online and offline) and management of electronic signatures to offer comprehensive security operations in the form of a service based around finger vein authentication. This is because of the importance of managing cost planning and activities aimed

at manufacturing at a particular cost, which are effective at maintaining product profitability.

Organizational effectiveness drives technology delivery. The business leaders of a global multiusers company were frustrated by the Information Technology department's struggle to meet heightened demand for technology solutions that were critical to driving multiple changes in the business model. We helped identify the issues responsible for the ineffective delivery, and in conjunction with a sizable client team, redesigned the Information Technology delivery organization structure, process and people to improve the effectiveness of technology delivery.

Commitment to the Global Information Technology strategic planning process

Due to the geographic dispersion of the global organization, it is often difficult to canvass and incorporate all areas' viewpoints and thus the resulting strategic plans can often seem inequitable in attributing equivalent importance to all sites. This can lead to a lack of commitment to the achievement of the plans if staff adopt the 'not developed here' approach due to the lack of input they were permitted.

The second improvement proposed in this paper is aimed at improving the input and commitment of staff to the Global Information Technology strategic planning process via the introduction of a partnership approach to the planning process. Technology has come a long way in a short time. The rapid pace of technological change and advancement is a fact of life in the Information Technology industry. There have been many occasions where a vendor has produced a colorful glossy and conducted an outstanding and flashy presentation of the newest technical innovation. Just as numerous are instances of the manager who has subscribed to the 'breakthrough', only to find that integration and high quality support are lagging far behind.

This has been the foundation of many a 'technical disaster graveyard' and has tainted the taste, of certain technologies, in many an executive's mouth. The outcome is a deliberate attempt not to be bitten twice or in other words, to avoid the same technology with a vengeance. The 'technical heritage' developed from such experiences, stands as a significant strategic Global Information Technology barrier. To overcome this barrier organization must openly analyses their 'technical heritage' and acknowledge the reasons for past failures. The analysis may then be compared with the current technical environment and opportunities to leverage previously tried, but now improved technologies, can be identified.

This will enable an organization to employ the technology that best meets the Global Information Technology alignment needs of the business strategy and to disencumber it from past failures.

Global strategic plan alignment issues

One of the most critical Information Technology planning activities for global organizations is the alignment of global business strategies and global Information Technology strategies [3]. Computerworld magazine surveyed 100 organizations that had been nominated for their excellence in Global Information Technology. The respondents identified that the number one issue necessary for global Information Technology leadership was creating closer ties between the business and Information Technology. The most potent item negating this closeness is the rapid pace of technological change and advancement and the difficulties inherent with managing disparate geographical locations. It is recognized that market advantages can be achieved through the strategic use of Information Technology as a competitive leverage tool but these advantages are not long lived in such a turbulent and changing environment.

Organizations need to stay up-to-date with technological developments and take advantage of those improvements that provide a business edge, as soon as practicably possible. This means that the strategic Global Information Technology planning process must be flexible and open to change. In addition, it is vital that the strategic planners involved have confidence in the development process so that they can champion the resulting plan's implementation. Another factor impacting the alignment between the business and Global Information Technology plans is the geographic dispersion of organizational sites. The distances between sites make personal communications difficult and infrequent and this can lead to a lack of understanding of the roles played by different sites and inhibits the sharing of intra and inter organizational experiences, both good and bad. The third major factor contributing to poor plan alignment is the history of technology's impact on and within the organization. Many organizations have been technologically burnt in the past and hesitate to repeat the same or similar mistakes.

This may introduce a 'blinkering' effect on the technologies investigated and/or piloted. This can effectively close off avenues of potential competitive advantage before they have been well considered. Therefore, with plan alignment being seen as a critical success factor for global organizations, new and innovative ideas must be employed to decrease the 'alignment gap' that exists. Areas that can provide such an improvement include:

1. A reduction in the range of the Global Information Technology strategic planning horizon, by correlating Information Technology strategic planning timeframes with the technology lifecycle model.
2. Introduction of a partnership approach to the Information Technology strategic plan development process.
3. The analysis and acknowledgement of the organization's 'technical heritage'.
4. Global Information Technology planning horizons and the technology lifecycle model.

A literature review on Global Information Technology planning horizons derived very little and in most cases, the length of the horizons employed, paralleled the business planning horizon exactly. There is no doubt that this is due to the fact that Information Technology strategic planning evolved from business strategic planning and as the importance of alignment and support grew, it seemed only natural that the same timelines were employed.

It is suggested that reducing the range of the Global Information Technology planning horizon, to take into account the rapidity of the technology lifecycle, can eliminate the 'alignment gap' between the global business and global Information Technology plans and improve Global Information Technology plan success.

It is well understood that Information Technology strategic planning must support the long term goals and objectives of the business. It has been suggested that this is best achieved by the development of an in depth and far reaching plan that ensures that the appropriate technology is available when required to meet specific business targets. The planning horizon most commonly employed for strategic Information Technology plans, is 5 years. As mentioned previously this is not just a figure plucked out of thin air. This is typically the timeline of the strategic business plan as well.

However, from the literature, adherence to a strategic business planning horizon of 3-5 years does not appear to be very successful in aiding the alignment of the strategic business and Information Technology plans for global organizations. Roche and others state that this is due to the rapid changes and advancements which are being made in the Information Technology arena and that long term Information Technology plans cannot adjust quickly enough to take advantage of these advancements.

Apart from the problems of rapid technological change, such a long-ranging planning horizon brings with it another inherent problem like

1. The amount of time required to develop such an extensive plan.

2. The large number of human resources required to be committed to the development process.
3. The uncertainty of future technological costs and the impact this has on economic forecasting.

Conclusions

Integrating business insight with technological possibilities is essential to innovation and becoming a globally integrated enterprise. As time goes on, more and more organizations amend their view of technology and Information Technology and acknowledge the strategic impact that technology has on all areas of the business. But the impact of technological change is expanding at an unprecedented pace. Technology strategy is a primary driver of the physical to digital transformation; the analytics that capture customer insights and drive product and brand extensions; and the envisioning of cloud-enabled business models that open the door to new revenue streams. Such an approach leads to Global Information Technology strategic plans that can be easily visualized by senior management and have a high probability of success.

The introduction of a 'partnership approach' to the planning process can increase the input and commitment to the process. This occurs through the use of global teams in the development activity. Team members provide a broad range of knowledge and together develop a plan that best meets the needs of the entire organization. Global plans developed in this way are better supported and have a greater chance of being implemented as charted. Finally, analysis and acknowledgement of the organization's 'technical heritage' can help to break down resistance to technology that has proven unsuccessful in the past. This ensures that technical evolutions and innovations are not dismissed out of hand and opportunities for achieving increased competitive advantages are not forfeited. The improvements proposed will assist the organization to reduce the 'alignment gap' that exists between the global business and global Information Technology strategic plans and thus increase the success of the global Information Technology strategic planning process.

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