Summer Examinations 2015

STRM05815N

Module Title: Strategic Management of Information Systems
Level: Seven
Time Allowed: Three hours

Instructions to students:

- Enter your student number not your name on all answer booklets.
- Candidates must answer three out of four questions.
- All questions are equally weighted.
- Begin each question in a separate answer book; label each answer book clearly with the number of the question you are answering.
- Candidates are not permitted to take any materials into the examination room.
- This is a seen paper. Questions have been distributed to candidates four weeks prior to the examination.
- The seen paper distributed prior to the examination is not permitted in the examination room. A new copy will be provided.

No. of Pages 4
No. of Questions 4
Challenges to providing high quality services in evolving times

The theme of the module this year has focussed on IT Strategic Management Principles, IT and Business Governance and IT Service Management Practices (principally the IT Infrastructure Library; ITIL®)

The general principles of this exam relate to:

- Understanding the core concepts of each scenario, the role of the IT department and their approach to strategic planning in any given situational context;
- The maintenance of a stable IT environment in rapidly evolving business circumstances;
- The maintenance of effective and efficient IT services which have to respond to government or regulatory constraints;
- Creating opportunities for the better use of choices and options open to IT in a particular environment;
- The blended use of IT Standards and toolkits such as ITIL® in a situational context.

There are four questions each carrying equal marks and you need to answer three out of four questions to obtain maximum marks.

Papers relating to the four questions are released four weeks before the examination is to be taken.
Answer three out of four questions.

**Question 1**

In the Autumn 2014 version of ITSMF UK Service Talk Magazine, Richard Horton Chairman of the ITSMF UK Service Transition SIG discusses Service Integration and Management (SIAM), whereby he reflected on the importance of contractual arrangements between client and supplier as they were explored by the members at the recent Transition SIG meeting. The focus of discussion was around managing change in a multi-vendor environment and in particular what needs to be managed at the service “integrator” level and what can be managed within the supplier organisation.

The article implies that it is important to develop relationships which are of benefit to the client and satisfying the integrator’s objectives. Whilst this particular aspect (the core of the article) was focussed on transition management, you are to explore the implications of strategic management and in particular what aspects of strategic service management should be considered in developing rigour in a SIAM-ready environment.

Given the implications identified in the article, discuss the positive effects of IT Service Management Practices (ITSM) and complementary IT standards to provide a more strategic focus for SIAM developments. You should provide examples of how they might be used in this context. Your answer should focus on a multitude of aspects regarding strategic management of IT with specific reference to ITSM practices and principles.

**Question 2**

Very often IT is “system-focussed” rather than “service-focussed”. Primarily this is because IT developments in an organisation have grown organically from legacy technology systems bolted together in an ad-hoc fashion as demand for those systems has grown. This is particularly relevant for government organisations such as a local authority in the U.K. During cutbacks to budgets expenditure on all underlying operational services are likely to be under scrutiny. Waste, duplication and inefficiencies cannot be tolerated.

In this question you are to consider the effect of organic growth of IT systems without due regard to providing an end-to-end business driven and cost effective IT service.

Discuss how a blended use of IT Service Management practices for example ITIL version 3, and an Enterprise Architecture approach would enable the organisation to create a stable and responsive IT environment which would be resilient to decreasing budgets.
Question 3

IT Service Management Practices (ITSM) highlights the need for the maintenance of Utility and Warranty of Services (Service Strategy; TSO 2011). This concept in theory helps to distinguish between the service offerings of one provider or another. Consider the food retail industry which is highly competitive where cut-price deals on a range of products and services often distinguishes one company from another. They offer their customers a wide range of products and purchase options including “click and collect” which is highly dependent on technology. Typically these companies also diversify their offerings to include a range of services such as banking and insurance. The design of underpinning IT has to be responsive, efficient (to provide 24/7 support) and agile. In order to design responsive IT services consideration has to be given as to the balance between Utility and Warranty to create a meaningful Value Proposition.

Discuss in detail how the other components within ITIL version 3 working alongside Service Strategy provide a rigorous lifecycle approach to ensure proper Utility and Warranty of service in this scenario.

Question 4

In his article in the Autumn 2012 edition of Service Talk - The Journal of the IT Service Management Forum “Delivering Innovative Business; The Next Challenge for Service Managers”, Robert Stroud (2012) discusses “the need to choose the right technologies to support changing business outcomes.” He goes on to say “Organisations complain that their IT infrastructures are too expensive to sustain and maintain and we all know that, while complexity increases, productivity decreases. The rule of thumb is that somewhere between 70% and 80% of IT budgets go towards on-going maintenance rather than driving innovation and changing the business to take advantage of new opportunities”.

Suggest ways in which IT Service Management Practices (ITSM) can be utilised from a strategic perspective in order for the business to be more responsive and agile in its IT developments. In your arguments you should highlight the balance between ITSM, Governance and a range of strategic tools and methods which will influence and ultimately affect the design of IT services.