Examination Period 3: 2016/17

BUS301317N

Module Title   Strategic IS
Level       Six
Time Allowed Two hours

Instructions to students

- Please enter your student number **not** your name on all answer books.

- Answer **two** out of **three** questions.

- All questions are equally weighted.

- Where required you will be expected to relate your answers directly to the given scenario *(Appendix A)*

- Begin each question in a separate answer book; label each answer book clearly with the number of the question you are answering.

- Students are permitted to take **two** sides of A4 paper in Arial font size 12 into the examination room. All notes should be attached to the answer books at the end of the examination.

<table>
<thead>
<tr>
<th>No. of Pages</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Questions</td>
<td>3</td>
</tr>
</tbody>
</table>
Answer **two** out of **three** questions

The questions in this examination paper are focussed on the need for strategic management of IT services built on IT systems and service management principles. The notes you bring into the exam should be “prompts” and not directly copied down. If so, the maximum grade will be a D.

This examination will test your ability to critically analyse each problem statement. To do this you need to coherently discuss the topic (not use bullet points). You should demonstrate sound knowledge of any techniques you discuss. Diagrams must be correctly labelled. You should provide examples of any technologies you might discuss especially as they confirm and support what you have critically discussed.

You must write in such a way that is readable with the use of good spelling and grammar. Incomprehensible scripts will be deemed a fail grade.

**Question 1**

**IT Performance**

This question relates to understanding the importance of the **IT Portfolio** in the strategic management of IT.

a. Describe the inter-relatedness between the IT Portfolio and the other components of the IT capabilities.  
   (10 marks)

b. Given the information in the scenario, discuss what specific activities need to be done to ensure that the IT Portfolio meets the evolving business environment.  
   (15 marks)

c. Given the information in the scenario, evaluate how the company might best handle its data given the changing business circumstances. You should assume here that the company intends to manage its data internally within the organisation and not outsource it to a third party vendor.  
   (25 marks)
Question 2

Sourcing IT

This question relates to understanding the importance of the Cloud Computing in the strategic management of IT.

a. Discuss what Cloud Computing is including the different models and options available.  

   (15 marks)

b. Evaluate the "usual" cloud deployments and critically discuss the benefits of each one.  

   (10 marks)

c. Critically discuss the benefits of each type of deployment.  

   (10 marks)

d. Given the information in the scenario, describe the obstacles likely to be encountered to developing a cloud deployment and suggest ways in which they can be overcome.  

   (15 marks)

Question 3

Sustainability

This question relates to understanding the importance of the IT Continuity in the strategic management of IT. Developing a recovery plan is important in order for IT to assure the business that if any problems occur then IT and business staff know what to do in order to get the IT systems and services back up and running quickly.

a. Given the information in the scenario, discuss who are the likely personnel in the business who you suggest should be part of the recovery team. Justify your decisions stating clearly why you have reached this decision.  

   (20 marks)

b. Given the information in the scenario, describe the key systems and services likely to be included in the recovery schedule. You should base your answers on their importance to the business, stating clearly why you have come to the decision you have made.  

   (30 marks)

End of questions

Appendix A (scenario) follows overleaf.
Appendix A

Case Study Scenario for BUS3013 Examinations (May and September 2017)

The scenario concerns a multi-national insurance business which is headquartered in Birmingham. It has sales offices in London, Manchester and Frankfurt. It is attempting to consolidate some of its business activities and expand into new markets particularly Asia. They key points are that it is:

1. Aggressively moving into new markets for consumer banking;
2. Brokering new investment opportunities overseas Asia in general, China in particular;
3. Investigating new product lines in insurance;
4. Looking at new estate sites overseas (China), it is expected to rent for 3 years;
5. Making cost efficiencies in its subsidiaries (including the underpinning technology);
6. Investing an extra $500K for technology continuity;
7. Developing in-house Data Warehousing capability;
8. Creating a more team-based culture;
9. Getting the new insurance products on line quicker;
10. Maintaining its market share - including all products;
11. Appointing new staff when needed to cope with increased demand; either on permanent or temporary contracts;
12. Developing new market segments where possible;
13. Developing a new "web presence" in order to sell its new products quickly.

Current IT systems and services

**IT Operations.** This section consists of three departments; Infrastructure, Telephony and Network Services. The Infrastructure Team are quite a lively group of staff and offer a range of services including desktop support to Head Office Staff. Telephony consists of staff who have generally been with the company for many years and like to do things in a certain way. The Head of IT gets very frustrated with them. Network Services have a good team ethic but work in an autonomous way. Much of what they do is undocumented.

**IT Technical Reference Architecture.** A specification does exist and it contains a record of core networks and servers. The service supports a range of PCs almost on every desk within offices. Most offices have their own Local Area Network (LAN), and a Wide Area Network (WAN) links subsidiary offices with Headquarters. IT staffs are very enthusiastic and are looking at state-of-the-art network services including mobile technologies, setting up extranets and cloud computing solutions. Using industry-standard network infrastructure tools and techniques IT feel confident that they offer a robust service with limited down-time.
**Core Systems** The company operates with core business systems which are bespoke; they are:

**Sales, Marketing and Intelligence (SMI)** A new system which was purchased in September 2014, it runs on servers at the headquarters. There are still some teething problems with the system which the Core Systems Team are trying to iron out. The system costs are proving problematic, maintenance cost increased by 10% last year. This is a core system for the business as it keeps records of sales, marketing, customers and business intelligence. The system links with the company’s Agresso Business World software.

There are plans to integrate other services and applications, but these have been temporarily shelved until the system stabilises. The Director of IT is under huge pressure to make it work properly.

**Personnel and Organisational Management (POM)** This system is quite old now, as it has been running for 7 years. There are plans to replace it over the next twelve months. POM is proving to be very slow and staffs are getting increasingly frustrated using it. There are plans to replace the system with a system developed in-house. The Programme Team have set up a project already and it is likely that the service will go-live in the summer of 2017.

**Assurance Financials (AF).** Run and maintained from HQ, OF is mainly used by the Finance Staff. Purchased in 2012, it now requires a major overall. The Programmes Team are working closely with the Finance Office to undertake the major upgrade. There will be training issues when the system is upgraded. Finance staffs are worried about the amount of change required.

**Website.** Most of the company’s business comes from sales generated through the sales offices, but increasingly some enquiries are coming via the web. The service demands are likely to increase and there is likely to be a high availability soon. The web development team has increased significantly over the past twelve months with the appointment of 5 new staff in the past 3 months.

**Office Systems.** The company has adopted Microsoft Office as their preferred office system, although Open Office is gaining some ground in some offices, especially with the technical staff. Up until recently staffs have been able to use open source products but a new company policy now prohibits their use in Headquarters. The network team are currently investigating Microsoft 365 (MS365) and they plan to deploy it in the organisation over the next six months. The network team are notorious for releasing new software into the live environment without telling anyone and some of the Core Systems Team are worried this will happen with MS365 which they fear could have profound implications.

**Core Systems Team.** The Core Systems Team consist of a stable cohort of staff who appear to work well together.
**Customer Support.** Help Services staff primarily liaise with the Outsourced Call Centre. The customer services team undertake a range of duties which are based around quality control using the ISO9000 Quality Standard.

**Programme Management.** The Programmes Team consist of a small group of project managers. They are generally viewed with some suspicion by the rest of the IT department. They do a reasonable job, although some projects have not been completely successful with severe delays occurring.

**IT Service Management.** There has been limited development of running IT as-a-service. The department is coming under increasing pressure as there have been some issues with availability of service (including web servers) from reports to the Call Centre. The Core Systems Team are keen to improve on this part of the service and will support any attempt to devise policies and processes.

**Known IT issues**

1. A better understanding of the effect on IT of the “new lines of business” is required – it is expected that this will increase the data stored by approximately 50% in the first 12 months;
2. This will put an extra load bearing on software applications, hardware and networks by the same amount;
3. The company does not have a central data store on its assets. The IT department is expected to be responsible for managing the data store. Assurances have been made that the business will fund it, and provide strategic direction for all company assets;
4. There is no organised plan to develop IT staff, but local managers are expected to draw up plans based on the new and changing circumstances;
5. Financial costs for IT are not really understood;
6. IT staff generally work in “silos”;
7. There is no real plan to manage the environmental issues (Green IT) with regards to technology albeit that a budget of $15K has been set aside for it;
8. There are limited governance plans in place for IT systems and services, but there is a disaster recovery plan which is dated over years ago.

**Organisational Staffing**

See charts on next pages