



MIS 3534 Strategic Management of Information Technology – Spring 2015

Executive Report #2 (15% of the Final Grade)

Final Report Due by Wednesday, March 25th, 11:59 PM EST

Draft due by Wed, Mar. 18th, 11:59 PM EST

Topic #1 – Business Value of e*Logistics

Mr. Ari Bousbib, the President of Otis Elevator, requests you to evaluate the success of e*Logistics. He is concerned whether e*Logistics, in which Otis has invested more than 8-digit dollars for the last several years, has indeed generated sufficient business value that justifies the substantial amount of investments and convinces the board of directors and the shareholders of e*Logistics's success. List the business benefits that Otis now enjoys in each of the five business areas– Project Proposal, Sales Processing, Order Fulfillment, Field Installation, and Closing Activities. You do not need to quantify benefit factors you identify. However, your report should include intangible and/or long-term values for Otis as well. Use a Balanced Score Card to describe your justification.

Suggested Readings

Improved Finance Performance Using Balanced Score Card

https://balancedscorecard.org/Portals/0/PDF/BalancedScorecardInstituteFEI_HR3%20Post-2P.pdf

Business Process Improvement at Concrete Co. Cemex – CIO Magazine

<http://www.cio.com/article/2441369/process-improvement/business-process-improvement-at-concrete-co--cemex.html>

Innovative CIOs Show How to Make Money With IT – CIO Magazine

<http://www.cio.com/article/2390090/cio-role/innovative-cios-show-how-to-make-money-with-it.html>

IT Value Is Dead. Long Live Business Value – CIO Magazine

<http://www.cio.com/article/2408200/business-alignment/it-value-is-dead--long-live-business-value-.html>

Topic #2 – Alaska Airlines IT Budget Decision

Alaska Airlines, a U.S. regional air carrier that operates commercial flights around U.S. West Coast, Alaska, and Hawaii, embarks an ambitious 10-year strategic plan that aims at expanding its network to the entire continental U.S. Therefore, this initiative will put Alaska in direct competition with legacy airliners such as United and Delta and low-cost carriers such as Southwest.

The senior executive team at Alaska Airlines is devising an IT investment plan that will support its expansion strategy. The following three projects are currently under consideration.

- Flight Scheduling System Overhaul Project (\$20m), in which Alaska will completely revamp its outdated flight scheduling system, developed 20 years ago when its flight network was much smaller than now and did not go beyond Seattle and Alaska.
- Mileage Plan Upgrade Project (\$10m), which will let customers accumulate frequent flier mileages from its code-share airlines (Delta, American Airlines, Qantas, and more) and its travel package partners (hotels, cruises, and car rentals). The customers will be able to use Alaska mileages at these companies as well.
- New Data Center Construction Project (\$15m), in which Alaska will build or purchase a five-story building for its data center, which is currently at the basement of its Seattle headquarter. The new data center will host Alaska's entire IT systems.

The executive team assigns \$30 million for the above IT projects. You are asked to write a two-page report to recommend whether and how much each project is funded and who to fund them. Use the Five Forces model and IT Strategic Grid framework to justify your recommendation.

Suggested Readings

Alaska Airlines, Flying above an Industry's Troubles – New York Times

<http://www.nytimes.com/2013/03/03/business/alaska-airlines-flying-above-an-industrys-troubles.html>

Once High-Flying, JetBlue Returns to Earth – BusinessWeek

<http://www.businessweek.com/articles/2012-04-05/once-high-flying-jetblue-returns-to-earth>

American-US Airways Merger is 'A New Way of Doing Business' – Washington Post

http://www.washingtonpost.com/business/capitalbusiness/american-us-airways-merger-is-a-new-way-of-doing-business/2013/03/01/24f9f0d8-81df-11e2-a350-49866afab584_story.html

Alaska Air Corporate Governance

<http://phx.corporate-ir.net/phoenix.zhtml?c=109361&p=irol-govmanage>

Topic #3 – Southeastern Pennsylvania Joint Infrastructure Consolidation Project

The City of Philadelphia has recently sent a proposal to neighboring local governments including the Counties of Montgomery, Bucks, Delaware, and Chester. In it, Philadelphia proposes to set up a consortium that will be considering an inter-government IT systems consolidation project. The City is proposing that the SE Pennsylvania municipalities build a shared computing infrastructure that integrates the enterprise systems for such common functions as accounting & payroll, tax collection, utility, or police. It argues that by building one set of common enterprise systems and infrastructures for them to share, the Philadelphia-area local governments can save millions of tax revenues in operating separate and disparate IT systems independently.

The County of Montgomery has recently hired you to provide consultation to the County as to whether it participates in the consortium or not. Write a two-page consulting report for the County executives for the proposed IT consolidation project. Provide arguments for and against joining in the consortium and justify your recommendation.

Suggested Readings

Shared and Regional Services on the Rise – Public CIO

<http://www.govtech.com/pcio/Shared-and-Regional-Services-Are-on-the-Rise.html>

Tough Times Break Down Resistant to Local Cooperation – Digital Communities

<http://www.digitalcommunities.com/articles/Tough-Times-Break-Down-Resistance-to-Local-Cooperation.html>

CIOs in Search of IT Simplicity – CIO Magazine

<http://www.cio.com/article/2395055/it-strategy/cios-in-search-of-it-simplicity.html>

Submission Instruction (Read every instruction very carefully)

- **Due Date** : Submit your report into Blackboard by Wednesday, Mar. 25th, 11:59:59 PM (Eastern Standard Time). This deadline is firm, and the instructor will not take any extraneous circumstance into consideration that occurs to you such as a PC malfunction or network outages.
- **Use of tables and/or figures** is highly recommended and graded as such.
- It is strongly recommended to search and use **further reference articles** from news or magazines on your own, in addition to the suggested readings listed above.
- **Length and Format** : Your report should be no longer than two pages including figures and tables. The instructor will not read and grade beyond the second page. Your report should be formatted in 11-point, Calibri (Microsoft Word default font), single spacing or

more, and 1-inch margin in all four sides. A report that violates any of these formatting requirements will not be graded.

- **Collaboration** : This is an individual assignment. However, if you'd like, you may collaborate with no more than two classmates. Still, each should create and submit a separate report individually created on a different machine. In addition, every student in a group must mention whom he or she work with in the file. Otherwise, it will be considered an academic misconduct and reported to the University immediately.
- **Writing quality** is part of grading. Be careful with typos and unstructured sentences, with which your CEO or client would throw out your report. Make sure that your writing is as organized and polished as possible.
- The instructor will provide **a feedback on a draft** that is submitted by Wed, Mar. 18, 11:59 PM. No feedback will be given on submission after this deadline.
- **Best Reports** : The instructor will choose one best report from each topic. The best reports will be awarded extra report credits and posted on the class site. A best report author will also be given a chance to present his or her work in-class as well as extra participation credits if he or she chooses to do so.
- **Late submission** is allowed, but there will be 10% penalty per each 24 hours. For example, if you submit a report on Mar. 28th and it is graded 80, a 30% penalty is imposed and you will get $80 \times (100-30)/100 = 56$. Therefore, your submission will be graded zero after Friday, April 3rd.
- **Plagiarism** : Blackboard SafeAssign detects plagiarism. Plagiarizing other work without citation in any circumstance will result in zero in grade and will be reported to the University immediately as an academic misconduct.
- **Keep in mind that you are a professional consultant with hefty payment for writing this report.**