Day 4.1
Digital Transformation of Governance Models

MIS 5801 Spring 2016: Tokyo
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Adapted from material by Munir Mandviwalla and Steven L. Johnson
Class Discussion: Digital Transformation of Governance Models
Class discussion of the following issues from the readings:

- How IT enables decentralized business models

- Tension between centralization and decentralization of the IT function

- The role of metrics in IT evaluation
Centralization versus Decentralization
Comparing the Models

Centralized

- Scale
- Reliability
- Control

Decentralized

- Agility
- Customization
- Innovation
Why Does the Pendulum Swing?

• What is the governance model in your organization?

• Is your governance model a good fit for your organization?
The Hybrid Approach

Shared Services + Business-Unit Services
Metrics

• In either model, how do you measure success?

• Are there “key metrics” for an IT initiative?

• Is *everything* measurable?
How can technology support a hybrid approach?

Governance Model

The Cloud

Business Intelligence

Enterprise Systems

Knowledge Management

Web 2.0
Breakout Session + Assignment: Managing IT Projects

VOLKSWAGEN
OF AMERICA
In groups, discuss the following questions:

- Describe the problems with the way Volkswagen had been managing IT projects at the start of the case.

- How did the new management system change their prioritization processes?

- How is it possible that under this new system a “critical” project (the global supply chain system) was underfunded?
Assignment #1 (Group):

Each group should prepare a 10 minute presentation which addresses the following issue:

Groups 1 and 3: What did Volkswagen of America get right regarding its method of prioritizing IT projects? How does it enable innovation?

Groups 2 and 4: What did Volkswagen of America get wrong regarding its method of prioritizing IT projects? How does it hamper innovation?
class discussion

TEAM PRESENTATIONS
Breakout Session + Activity: Technology Platforms

APPLYING SYSTEMS THINKING
Mobile Platform Business Models

Apple’s iOS

Google’s Android
Many Similarities

- Built upon an operating system
- App-based platforms
- Encourage communities of developers
- Hardware is important
Two different philosophies

**Apple**
- Tight control
- One device manufacturer
- Single ecosystem

**Google**
- Looser control
- Many device manufacturers
- Multiple, overlapping ecosystems
Real differences...

Mobile store
- **iOS**: iTunes only
- **Android**: Android Market, Amazon AppStore, Verizon (carrier) App Marketplace

App Development and Distribution
- **iOS**: iTunes only and Apple approves submissions
- **Android**: Anyone can distribute “non-market” apps

Putting media on the device
- **iOS**: iTunes only (and some “unofficial” options)
- **Android**: Multiple options, including DIY through PC
What is Apple’s strategy?

What is Google’s strategy?

And how is it consistent with what you know about each company
What is the future?

Single Ecosystem?
Multiple Ecosystems?
Activity

• Prepare a brief analysis of who will prevail: Google or Apple?
• Apply a “systems thinking” approach, considering
  – The threats from disruptive innovations
  – Level of agility of each platform
  – Where control over the platform rests
  – The viability of each ecosystem model
  – Consistency with a “flat world”