

INTERNATIONAL UNIVERSITY OF JAPAN
QIS6080 IT Strategy & Policy Planning
(for E-Biz and MBA 2nd Year)

Instructor: Jay Rajasekera (Homepage: <http://www.iuj.ac.jp/faculty/jrr/>)

Teaching Assistant(s): None

Office Hours: By appointment via e-mail (jrr@iuj.ac.jp)

Term: Spring, 2010

Credit: 2

Class hours: (yet to be finalized)

Course Description and Learning Objectives:

What is IT? Is that an asset just like a financial asset, a factory, warehouse, distribution center or human resources? Can IT be used strategically just like any other asset to create new businesses, to defeat the competition, to create opportunities to improve the bottom line – ROI, ROE, of the profit margins? Is there something called IT Policy? If so, how would one formulate such policy suitable for his or her own company, organization, or country? The objective of this course is to get to the core of these questions and formulate strategies to answer such questions.

Despite the economic turmoil of the time, the world is still moving; IT for one, is finding new applications constantly. The Social Media, Cloud Computing, and Widgets, have added new dimensions to the way companies, governments, and individuals operate in an increasingly connected world.

How one formulates the new strategies to stay competitive, established as well as latest strategic tools is the aim of this course.

Career relevance:

The course is targeted to a general manager, consultant, or administrator class, not only in careers related to IT, but also careers which may benefit from the IT services, such as strategic planners, and policy makers, and executives.

Course Context or Rationalization:

Information Technology (IT), despite being around for close to half a century, still is not well understood by business executive or government administrators -- often the role of IT is neglected or misunderstood. The recent examples from a Japanese bank demonstrate the management's disregard of its IT resources which caused the bank to suffer huge monetary losses and loss of trust. While one bank suffers, you hear a story from another bank about how its top executives harnessed the enormous power of its IT resources to turn around its bankrupt business model into a billion-dollar profit making machine. Such IT-oriented examples of successes, failures, and lost opportunities are abundant in all kinds

of businesses, from financial services, manufacturing, and sales, to government services, health care, and education plus more.

The companies and organizations traditionally had relied on real assets such as factories, sales outlets, branch offices, workers, and the cash flows as the main components of their business. The emergence of computers has added a new asset to this traditional business model. While computers and other networking hardware have become part of the real assets, an intangible asset, which is the data and information, has created a very challenging environment for the executive hierarchy to manage. Today, with the spread of globalization, managing IT assets, creating value, and controlling risks while inventing IT strategies and policies are as challenging as the very survival for many companies, organizations, and governments.

The course comprises of three main components:

- 1) IT Assets and Business Models
- 2) Network Economy, Strategic Framework, and Valuation Methods
- 3) How to think in-terms of “Strategy Map” approach, which is rapidly spreading in business world
- 4) How to develop the Value Proposition Path for Strategy Maps

Delivery methods:

The classes include lecture and case discussions, by the professor, and the case presentations by the student groups. The professor also has invited the CEO of Google Japan to come to IUJ and he has accepted to visit on May 8th. I would like every student to attend this lecture by Google Japan CEO as well.

Assessment and Grading:

The class will be divided into groups. The grades will be based on group presentations. There may be group peer review.

Individual Write-ups on Cases and HW (30%)

Group Case Presentation and Analysis (40%)

Final Learning Write-up (20%)

Class Participation (10%)

Prerequisite: Any E-Biz student will qualify. Other students must have general knowledge on computers and computer networks (such as what is a database, what is a computer network, what is the difference between LAN and Internet).

Tentative outline:

Week 1-3: IT progression, components of IT, and general background of world IT situation.

The business models:

- a) PSA (Singapore)
- b) Rakuten (Japan)

- Week 3-5: IT, Strategy and Valuation Methods, including the use of “Real Options”
May 8: Lecture by outsider on a Balance Score Card and Strategy Maps
Week 5-10: Case Presentations (Each student group will be discussing and presenting a project and its valuations aspects, strategic framework and implementation policies)

Cases to be discussed/Presented (tentative list) in the class (based on the student interests only a few of these are selected for the class):

- Battle in the Air (A): Intrinsic and China's Wireless Internet Industry
- The ITC eChoupal (India) Initiative
- Shenzhen (China) Stock Exchange
- COSCO (China Ocean Shipping Company)
- NTT DoCoMo: Establishing Global 3G Standards (Japan)
- Transforming Matsui Securities (Japan)
- Blockbuster Inc. & Technological Substitution (D): The Threat of Direct Digital Distribution (US)
- Royal Caribbean Cruises Ltd.
- Shinsei Bank: Banking on IT (Japan)
- Building a Cluster: Electronics and Information Technology in Costa Rica
- Mizuho Bank: 1st Day Surprise (Japan)
- Tata Consultancy Services: High Technology in a Low-Income Country
- Google Inc. – Pricing of Google IPO
- MYSQL Open Source Database in 2006 – The competitive strategy
- Lean at Wipro Technologies – Thinking on Toyota System
- Infosys Consulting (India)
- Skype (EU)
- PayPal Merchant Services (US)
- China Telecom (China)
- Internet Election – Obama Becomes the President

Recommended textbook(s) and other resources:

Strategy Maps: Converting Intangible Assets into Tangible Outcomes)

by Robert S. Kaplan and, David P. Norton, Harvard Business School Press (February 2, 2004). (This is a useful book, not just for this class but as a good reading for any business school student.)

Supplement Reading:

- *Balanced Scorecards & Operational Dashboards with Microsoft Excel*, By Ron Person, Wiley 2009, ISBN: 978-0-470-38681-1
- “*Corporate Information Strategy and Management: Text and Cases*” by Lynda M. Applegate, Robert D. Austin, F. Warren McFarlan, (6th Ed. ISBN ISBN: 0072456728, 2003), Copies of this book will be available in the library reference counter.
- “*Information Technology Strategies: How Leading Firms Use IT to Gain an Advantage*” by William V. Rapp, 2002
- “*Strategies for Information Technology Governance*” by Wim Van Grembergen, 2003
- “*Managing Information Technology for Business Value*” by Martin Curley, Intel Press, 2004
- Copies of these books will be available in the library reference counter.

Professor will also be introducing some concepts from:

- “*Strategy Maps*” and other sources
- Using Visio for creating Strategy Maps
- “*Value Proposition Path Approach*” by Jay Rajasekera
- The professor is also working on several cases involving several IT strategy applications. Given the time and chance, those cases will be introduced to the class as well.
- The course this year involves two field trips:
 - Hakai Creates, a local manufacturer of mobile telephone parts. The company owns 50% of global market for some components. High use of IT.
 - Toyota, in Nagoya. Last year trip was quite successful. This year to a trip is planned; but it needs good support from students in this class.
- Special lecture(s) by outside experts who are using IT as a strategy is/are planned

Brief Profile of Professor:

Prof. Jay Rajasekera, has been teaching Information Technology courses at GSIM since 1995. Prior to IUJ, he worked at AT&T Bell Laboratories in New Jersey, USA. While at Bell Laboratories he designed the computer algorithm for the design of world’s first undersea fiber optic cable TAT-8 between US and Europe, which won a special contribution award from Bell Laboratories. Most Internet traffic today is carried over the optical cables built using his algorithm. He had also played a key role in technology evaluation projects of AT&T assets in the US. An online scheduling program he designed, which also brought a special contribution award from Bell Laboratories, had been in use by Lucent Technologies for scheduling multi-billion dollar a year optical components for the communication industry.

He has co-authored three books since joining IUJ and published more than 40 management and technical articles in top-rated journals. He has also applied for two patents recently in Japan for technologies related to mobile applications. He has wide consulting experience on issues related to management and technology. He has conducted employee training programs and projects at a number of large corporations in Japan, including Lehman Brothers, IBM-Japan, Fuji Xerox, Fujitsu-AMD, Hitachi, and DHL-Japan.

Currently he serves as an advisor to several IT companies in Japan and overseas. His opinions have appeared in Nihon Keizai Shimbun, Asian Wall Street Journal, Japan Times, Asia Inc. and other publications. His current interests include Database and IT strategies, mobile technologies, national IT policies, corporate strategies, optimization, and financial engineering modeling. This is the fifth time he teaches this course titled “IT Strategy & Policy Planning.”

For more detail, see professor’s homepage: <http://www.iuj.ac.jp/faculty/jrr/>

Note: Please note that slight changes to this syllabus are possible.