

First Name:	Last Name:	Student ID Number:

# Exam Information Management

20.01.2017

You have 90 minutes to work on the exam. You can achieve a maximum number of 90 points. Use the points for each task as an indication how long you should work on it (i.e. each point equals one minute).

Please, do not use additional sheets of paper you brought along yourself. If you need more, official paper will be provided.

Put your name on the cover page and your student ID number also on each of the following pages.

Answer all of the exam's questions either in English or German and stick to the chosen language throughout the whole exam.

Indicate clearly, if you need to make assumptions.

Good luck!

task	1A	2A	2B	3A	3B	4A	4B	4C	$\Sigma$	grade
maximum	25	10	10	16	9	6	8	6	90	
actually achieved										

# 1 Benefits Management (25 Points)

A new Customer Relationship Management (CRM) application is going to be integrated at a large European paper manufacturer. The company sells its high-quality papers and paper-based packaging materials via distributors to printers, large corporations, and packaging manufacturers. To increase sales, the company relies on advertising and promoting (A&P), especially targeted marketing campaigns, in which samples and marketing collateral are mailed to customers. These mailings are then followed up by either a visit from a salesperson or a telephone call from the sales office. On average, the company carries out some 50 such campaigns a year at a total cost of about €18 million.

You are appointed as a project manager to ensure that the intended benefits of this project are realized. The executive board tells you that two of the objectives for the CRM investment were agreed as: (1) to improve the effectiveness of A&P expenditure (defined as the ratio of generated sales revenue/A&P costs) and (2) to increase sales volume and value, particularly from new customers. The company expects a number of benefits from achieving both objectives including:

1. Significantly lower costs, by avoiding wasted mailings and product samples sent to 'irrelevant' customers,
2. Higher response rates from the targeted marketing campaigns,
3. Increased follow-up of leads generated by the campaigns, and
4. Increased conversion rate of leads to sales.

With this input, you organize a workshop with key business and IT stakeholders from the company to identify the necessary changes and enablers for this project.

The head of sales gives the following input for the workshop: *"First of all, If we want to increase leads and sales, we need the new IT system and perhaps other enablers to allocate more sales time to potential high-value leads. But if we want to achieve this with our current setup, we definitely need increased sales time with customers and incentives for new sales staff permanently. It could help here if we relocate our resource from post-sales activities to pre-sales activities. Second, reducing cost by avoiding waste on irrelevant customers would definitely require us to have some IT system in place by which we can measure the outcome of campaigns and improve the targeting of our segments, such that we can select the most appropriate communication media for target customers. For once, we should step out of the stone age and radically redefine our customer segments, otherwise we cannot even differentiate how we approach different target customers. But it does not stop here. The two things can only work together if we re-align marketing and sales activities in a follow-up, thus it is absolutely essential that we coordinate between the two. Otherwise, we risk that we do the same work twice."*

The head of marketing gives the following input: *"I agree, and in addition we need to drastically reduce the amount of time our marketing staff spends on admin activities. Currently, our practices are not well aligned with those from the sales people. We need to make sure that we work together more closely for all A&P campaigns and improve the management of such projects. For instance, we currently do not even have appropriate account management processes in place."*

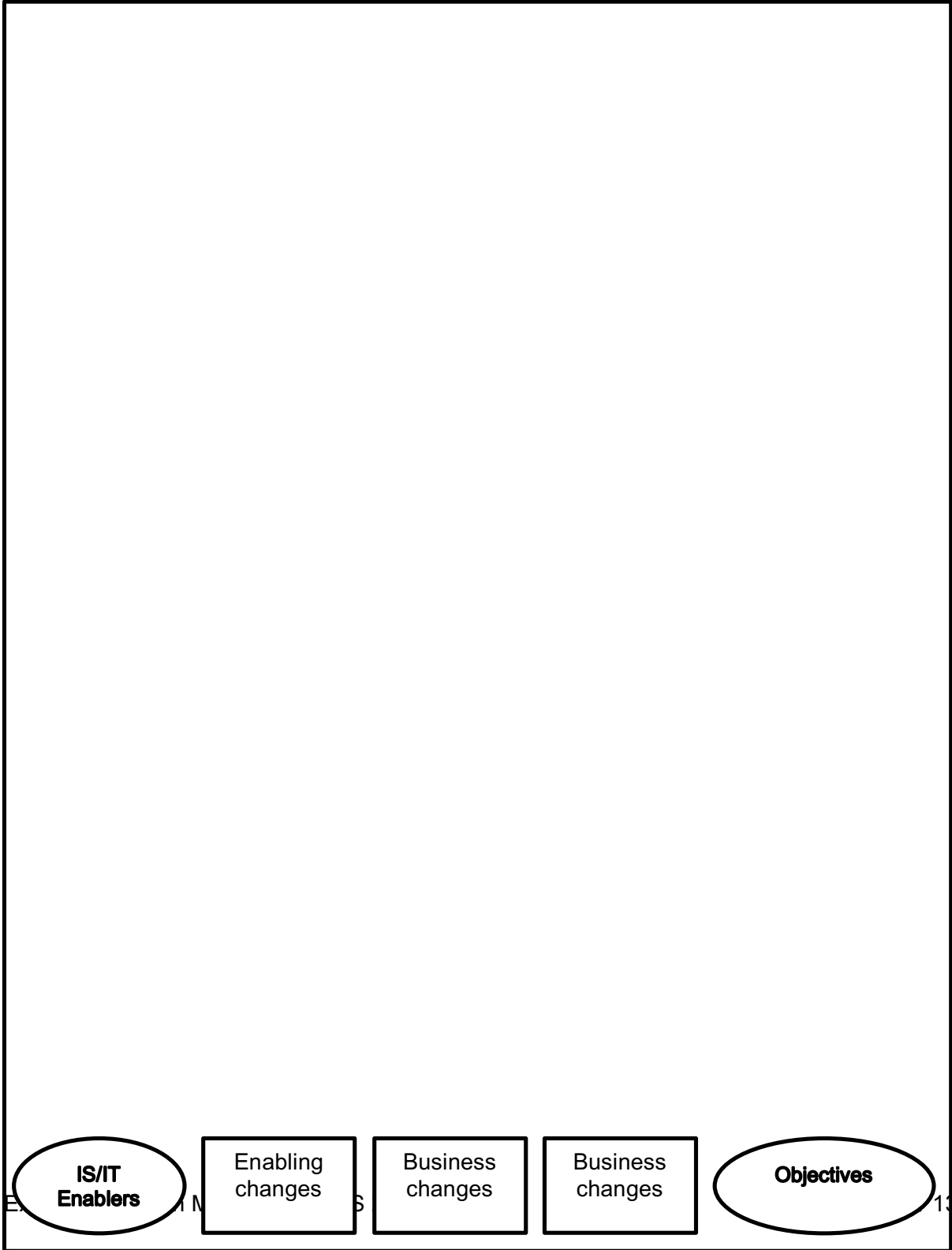
The head of the IT department comments the following on this input: *"Okay, as far as I see, the CRM application offers the following functions: 1) Campaign planning & management system, 2) Customer & prospect database, 3) Contact Management system, and 4) Enquiry quotation & response tracking system. In addition, we have some iPads and PDAs left which you guys might want to use. But I have no idea how these IT systems can enable the benefits you guys are envisioning. I leave this up to the project manager to decide."*

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**A) Benefits Dependency Network**

Develop a Benefits Dependency Network (BDN) for the above-described CRM Project. Use the BDN framework by Ward&Daniel that has been introduced in the IM lecture on Benefits Management, and which you had to use for the Deloitte case study. Use the information from the above-described case study to construct the BDN.

(25 Points)



## 2 IT Consumerization and Digital Innovation (20 points)

Avaloq is a Swiss-based banking software and financial services company. Hans, the CIO of Avaloq, is worried about the recently ongoing consumerization of IT at Avaloq. It seems inevitable that employees make uncontrolled use of private devices. People already use their private phone to check mails, access the company intranet, and share information. Hans fears that this will lead to a loss of control of the hardware and software environment, unforeseeable issues with data security, reliability, and performance, and a blurred distinction between private and business life. Hans has even already caught employees how they develop ideas collaboratively using google docs and then posting pictures of the ideas on Pinterest. He cannot believe it! After all, some Avaloq employees have very sensitive knowledge of banking clients and are obliged to maintain confidentiality. Hans asks for your help to better understand what's going on and how to manage it.

### A) Strategies for IT Consumerization

Help Hans to develop a strategy how he can manage the uncontrolled use of private IT devices and ensure confidentiality of sensitive data while simultaneously ensuring that employees can be creative and innovative. Choose one of the 4 IT consumerization strategies we discussed in the lecture. Name and explain the IT consumerization strategy and describe how Hans should implement it.

(10 points)

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## **B) Digital Innovation**

The CEO Franz has told Hans that Avaloq should be innovative and not restrict the creativity of employees. The IT Consumerization strategy is a good first step in the right direction, but there should also be an approach to manage Digital Innovation at Avaloq. Franz wants 50 % of the revenues to be invested into the development of innovations. He wants employees to be "intrapreneurs", i.e. be entrepreneurial within the organization. Describe a solution approach that helps to manage innovation in Avaloq. You may use the attached screenshots from the Avaloq website as a reference to get some ideas (but you do not have to read everything in detail!).

(10 points)

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### **3 IT Portfolios (25 points)**

#### **A) Application Portfolios**

1.) In the IM lecture, you have heard about the Ward & Peppard Application portfolio. It is a 2x2 Matrix with the dimensions 1) Strategic, 2) High Potential, 3) Key Operational, and 4) Support. Briefly explain these 4 dimensions in the Ward & Peppard Application Portfolio.

(8 points)

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2.) Imagine that you are the leader of the University of Zurich's IT department. The head of the UZH Library informs you about the following 4 projects and asks for help with their prioritization. Categorize the 4 Projects in the Application Portfolio. Give an explanation.

(8 points)

Project 1 (*Publishing Raw Data Sets*). The library wants to launch an initiative to publish raw data sets from scientific research projects. The raw data sets should be made anonymous, refined, and publicly available, such that researchers from around the world can collaborate. The goal of the project is to increase research productivity. A pilot project has already been successful with experimental data from a few research projects in the veterinary medicine department. Now the project scope should expand and include also raw data from the behavioral sciences, natural sciences, and economics.

Project 2 (*Scholar's Desktop of the Future*): The library recently joined a research initiative to build the "scholar's desktop of the future" integrating searching and reference management functions whilst writing in a web-based environment where data is stored "in the cloud" to be accessible from everywhere a user wants to work. Since no other library has such a service to offer, some managers of the library's staff want to promote it as a possible unique advantage.

Project 3 (*using an intermediary for software licensing*): The library manages the purchasing of many educational software titles and runs several computer pools. The various software products and licensing models they provide are very cumbersome to manage. Therefore, the library's purchase unit is urging to use an intermediary to simplify purchase and managing of software licenses.

Project 4 (*availability management for server*): The server running the local library software for lending or returning media has not been integrated into the automatic machine management infrastructure of the university's data center and only during standard office-hours support through the library's IT staff is guaranteed. The library's management and the university agreed to have a 99.5% availability for the local library software.

Strategic	High Potential
Key Operational	Support



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**B) Portfolios and IT Strategy**

3.) How can a portfolio be used as basis for developing an IT strategy? Briefly discuss at least one strength and one weakness of this approach? (9 Points)

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#### **4 IT Projects (20 points)**

Think back of the KPMG Case Study. After you have helped the client to develop a concept for a new digital customer lifecycle, the client now wants to start implementing your concept. They ask an external software engineering company to develop a cross-media publishing platform (CMPP). The integration into the system landscape will then be done by the internal IT department of the client. The CMPP supports the overall digital strategy with a centralized platform for the creation and management of relevant content, standardized quality review processes for managed content and publications, and publishing from one central source to all different channels. For the client, it is the first time to launch a project like this, and they want to prove that they are capable for handling this. The client now wants you to act as a project manager for the whole IT project (development and integration). To manage this IT project successfully, it is A) necessary that you are aware of the risks and B) choose the right leadership styles and management approaches.

##### **A) Failing IT Projects**

1.) Name and explain 3 reasons why this IT project from the KPMG case study may fail. Please make references to the specific project.

(6 Points)

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**B) Leadership Styles in the Application Portfolio (External View)**

2.) What are the key issues for leading this strategic project? Name and explain two driving forces and two critical requirements. Make references to the concrete project.

(8 points)

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**C) Management Based on the Complexity of the Project**

4.) What management approach would you recommend for such a project? How would you classify it in terms of degree of technology for the firm and requirements volatility? Briefly explain what key management skills you need to have for this approach and how you would proceed.

(6 Points)