

CIS (21-774)
Computer Information Systems
in
Industrial Engineering
 Department of Industrial Engineering
 Sharif University of Technology

Session# 8



Course Description (Continued..)

- *Contents:*
- *The role of managers in Information Technology (IT)* (3 sessions)
- *Organizational Issues* (3 sessions)
- *Information Technology* (9 sessions)
- *Operational and enterprises systems* (4 sessions)
- *Exciting directions in systems* (3 sessions)
- *E-Business and E-Commerce* (3 sessions)
- *Issues for senior management* (2 sessions)

Course Description (Continued..)

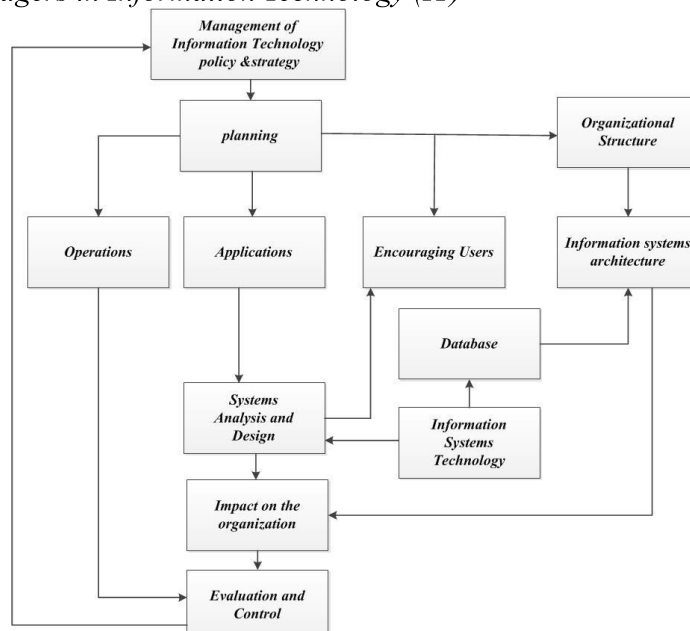
▪ Contents:

- *Organizational Issues* (3 sessions)
 - *The impact of Information Technology on the organization*
 - *Modern organization*
 - *Building a T-form organization*
 - *Strategic issues of Information Technology*
 - *Information Technology and Corporate Strategy*
 - *Integrating technology with business technology*
 - *Managing Information Technology*
 - *International business and Information Technology*
 - *The impact of globalization on business*
 - *Key issues in international environment*
 - *Managing Information Technology internationally*

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The role of managers in Information Technology (IT)



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Organizational Issues

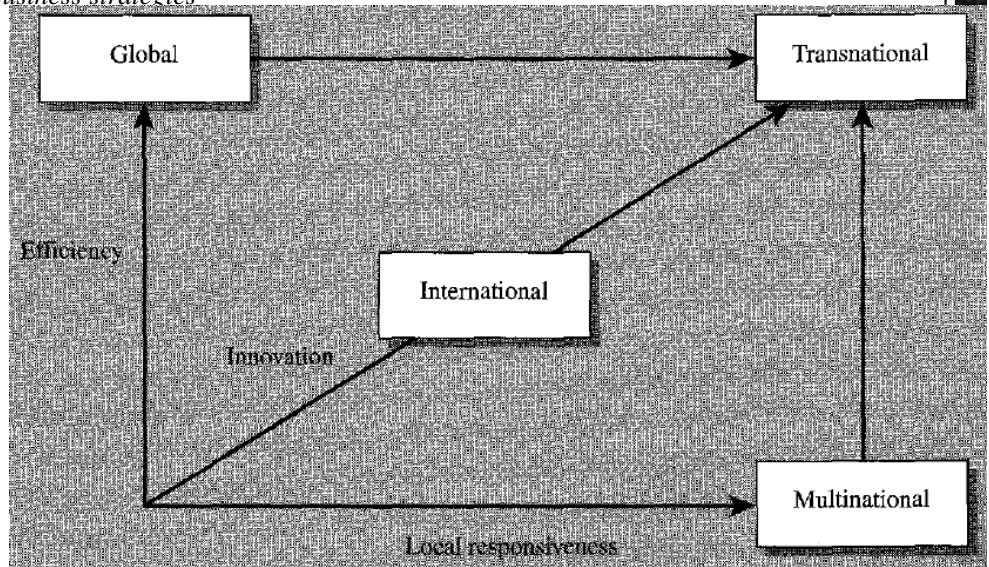
- *International business and Information Technology*
 - *Businesses are turning themselves into global concerns.*
 - *Information Technology is an important tool in making this transformation and in designing the international organization.*
 - *Globalization has been one of the major trends in business in the last decade.*
 - *It is estimated that 579 global corporations account for about 25 percent of the world's production.*

Organizational Issues

- *International business and Information Technology*
 - *The impact of globalization on business*
 - *Rationalized manufacturing*
 - *Worldwide purchasing*
 - *Integrated customer service*
 - *Global economies of scale*
 - *Global products*
 - *Worldwide roll-out of products and services*
 - *Subsidizing markets*
 - *Managing risk across currencies*
 - *The growing irrelevance of national borders*

Organizational Issues

- *International business and Information Technology*
 - *International business strategies*



Organizational Issues

- *International business and Information Technology*
 - *Key issues in an international environment*
 - *An international corporation needs Information to coordinate and control its diverse businesses.*
 - *Traditional uses of IT for reporting and control.*
 - *Moreover, information Technology offers the international firm many more active tools to help manage the business.*
 - *Coordination is a major problem for the global firm.*
 - *Information Technology plays a crucial part in the design and operation of international firms*

Organizational Issues

- **International business and Information Technology**
 - *Key issues in an international environment*
 - *The ultimate objective for the global firm is to process data anyplace in the world and share information without having to worry about the type of platform used for processing*
 - *Managing local development when the foreign unit does not coordinate with headquarters.*
 - *How does the firm develop a set of common systems shared across different countries to take advantage of economies of scale?*
 - *The third development problem is that when designing applications, there are real and perceived unique features in each country. One must recognize what features are required for a system to work in a country and what features are there as an exercise in local independence.*

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Organizational Issues

- **International business and Information Technology**
 - *Managing Information Technology internationally*
 - *Concentrate on inter-organizational linkages*
 - *Establish global systems development skills*
 - *Build an infrastructure*
 - *Take advantage of liberalized telecommunications*
 - *Strive for uniform data*
 - *Develop guidelines for shared versus local systems*

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The role of managers in Information Technology (IT)

- HW#06
 - *International business and Information Technology*
 - *Study your reference book through pages 141 to 144. the book talks about the case study of Verifone company.*
 - *First describe your opinion about the Verifone international business and the usage of Information Technology*
 - *Second, considering the different aspect of international issues of Information Technology express your opinion for a better model of Information Technology application.*
- *The Home work should be sent to omidf@ie.sharif.edu till Monday, 13th of Aban (Nov, 4th ,2013)*
- *Email subject: “HW06:studentnumber”*

Organizational Issues

- *Transnational virtual firms and IT*

The Global Reach of the Computer

Less-developed countries, for years on the outside of the computer revolution because of cost and import restrictions, have displayed a ravenous appetite for personal computers. In Brazil where PCs were almost nonexistent a few years ago, computers have become a major part of the culture. It is estimated that tens of thousands of Brazilians are banking at home. PCs can be found in Poland, Indonesia, Uganda, and Bangladesh.

Many of these computers are being used in business, narrowing the competitiveness gap between firms in the less-developed countries and developed nations. Because these organizations do not have old technology, they can start with highly cost-effective PCs and a client-server architecture (see Chapters 8 and 13). A bank in Prague with no computer systems moved from paper to a client-server network on Dell computers, allowing it to connect for the first time with worldwide monetary trading networks. Chile's export-promotion agency connected 160 PCs around the world to a group of Compaq servers in Santiago so that prospective buyers could review Chile's export products.

In Latin America, Chile is one of the leaders in applying PC technology. Many small stores use a PC for tracking inventory and

preparing invoices. Larger companies like the winemaker Concha y Toro and the dairy Loncoleche equip their sales force with hand-held terminals or notebook computers. Compania de Petroleos de Chile uses PC-based systems to keep track of diesel fuel sales and monitor the growth of trees. The Chilean government is spending \$3 million to put computers in schools. Even still Chile has 3.3 PCs per 100 people compared to 30 per 100 people in the U.S.

Brazil has relaxed import tariffs on computers, and sales have soared. A grocery wholesaler in central Brazil was never able to afford a computer, especially given interest rates of 12 to 14 percent *per month* on capital. Its major competitor used a mainframe computer to route trucks. However, the wholesaler sent its trucks on the same routes each day whether there were orders or not. With a \$3000 PC and a package from a Maryland firm, the wholesaler has been able to deliver 30 percent more goods with a 35 percent smaller fleet of trucks. It has reduced warehouse employment from 95 to 80 people. The company also installed bar code scanners to track inventory and a central server to track orders. For the first time, it is ahead of its competitors in applying technology.

Organizational Issues

- *International business and Information Technology*
 - *Business models and it management*
 - *Independent Operations*
 - *Headquarters Driven*
 - *Intellectual Synergy*
 - *Integrated Global IT*

TABLE 6-3

BUSINESS AND IT MANAGEMENT APPROACHES

Business model	IT management approach
Multinational	Independent operations
Global	Headquarters driven
International	Intellectual synergy
Transnational	Integrated global IT

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