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Course: Multimedia Information Strategic Planning (MISP)
Course Code: TMI3411
Multimedia University, Cyberjaya, Trimester 2, Session 2006/2007.

ANSWERS TO MISP2 – ASSIGNMENT NO. 3

MISP2-A3Q1 – Competitive Forces, Competencies and Competitive Advantage

A3Q1.1 – According to Management Guru, Michael Porter, “An enterprise exists within an industry, and, to succeed, it must effectively deal with the competitive forces that exist within that particular industry”.

If an enterprise - in its business strategies and plans, addresses the competitive forces and considers their potential impacts now and in the future, it can formulate a better business position than its rivals. In this respect, how has IS/IT helped the following companies become successful: (i.e. what strategies have IS/IT put the companies into their good positions. Hints: GB1-SPIS, page 101)

ANSWER

a. Amazon’s business

Amazon achieved competitive advantage by operational excellence in its business strategies on e-business. It is the most famous e-business website in cyberspace. Amazon began in 1995 by being the world’s largest “on-line bookstore” and is still holding that record today. This is only possible through the use of IS/IT, clustered databases, and of course the internet. It has the biggest book selection database in the world. It provides book reviews and book ratings from previous buyers. It also provides a database for customers to go and buy from used book sellers. Services get expanded into on-line payments (using credit cards) and secured transactions between customers, Amazon server and the banks. Amazon today sells “everything under the sky” including auction items. Amazon tracks customer purchases, provide offers and suggestions for further purchases, like “what others also buy when they buy this one”. And many more interesting marketing gimmicks. Ha ha ha.

b. Dell computers

Dell achieved competitive advantage by operational excellence in its business strategies on marketing and sales of computer hardware and peripherals to the masses. It has become very successful through the use of IS/IT, for example, by making its products and services cost-effective, cheap, easily available, reliable, fast delivery, good worldwide support, etc when compared to other competitors involved in the same industry. Add a bit of “Dell Malaysia – SMS Competition” like the “McDonalds Foldover – SMS Competition” and answer a few simple questions, then again you make it more attractive. Ha ha ha.

c. Air Asia travel

Air Asia travel achieved competitive advantage by being a low cost and no frills air carrier to the masses with its business strategies focused to a particular customer group – low end and budget travelers. It has become very successful through the
use of IS/IT, for example, by making available travel bookings online on a 24x7x365 basis via the internet. It also provides a wide range of destinations, has cooperative agreement with other low cost air carriers including tour travel agencies and hotels. These strategies have expanded its services and become very attractive to budget travelers for holiday group travel and tours, not just the casual business travelers. Add a bit of “Air Asia – SMS Competition” like the “McDonalds Foldover – SMS Competition” and answer a few simple questions, then again you make it more attractive. Ha ha ha.

A3Q1.2 – Referring to GB1-SPIS on page 112, we were told that appropriate IS/IT strategies had successfully helped organizations attain competencies (i.e. unique capabilities), competitive advantage and business leverage over its rivals. Explain by including specific examples on how IS/IT has helped organizations achieve the following:

ANSWER

a. Operational Excellence

Operational Excellence is achieved through IS/IT for example, when products and services become cost-effective, cheap, easily available, reliable, etc when compared to other competitors involved in the same industry.

As an example, with IS/IT implementation Dell Computers provided easy, cheap and online orders for computers and notebooks through the internet on a 24 x 7 x 365 basis. In addition, Dell allowed buyers to customize by ‘pick and match’ whatever accessories they wanted for their computer systems. Dell does not mass produce computers in a normal manufacturing sense but build ‘computers-to-orders’ by assembling the various parts and delivering them on a just-in-time basis. Dell keeps tracks of orders and customer details, and can easily offer discounts and other related information to repeat customers. Dell has a worldwide service center to handle customer calls and complaints. One such service center is at our own Cyberjaya. Ha ha ha. This is operational excellence achieved as a result of IS/IT. Other competitors cannot achieve profit margins following such a business model.

b. Customer Intimacy

Customer Intimacy is achieved through IS/IT for example, when products and services can be tailored to the very precise needs of particular customer groups.

As an example, take the “Gold Customer” service for a bank designed for those special customers with a lot of money (good for the bank) and conduct a lot of different financial transactions. Through the use of IS/IT, customers get specialized attention even dedicated counters without the need to queue in line when conducting business. Normally, staffs of the bank were trained to recognize faces of these special customers and make them memorize these customers by name. This is possible due to the availability of customer details in the banks computers. The staff will know what transactions the customers wanted to do based on (keeping track) previous transactions, can offer advice on new bank offerings etc. Customers can do online banking, telephone banking etc. Banks even send in “happy birthday” cards, holiday celebration cards and sometimes “presents” to these special customers. The bank makes a very serious effort to be “intimate with the customer”. The banks even
offered special accounts to customers’ spouses and children. As long as you have information, you can do very creative things in running a banking business. They say “think out of the box”. This is not possible without the use of appropriate IS/IT.

c. Product Leadership

Product Leadership is achieved through IS/IT for example, by continuously innovating products and services to meet the demanding customers needs. As an example, take the case of the gaming console – PlayStation by Sony - from PlayStation I to PlayStation II and lately to PlayStation III. Customers knew there will be new creative ways of playing video games when the various models were released and this happened because Sony kept on improving the products using new IT technologies as they arrive, and sometimes Sony “created” those technologies which become proprietary intellectual property to the company. Essentially, Sony’s products led the other competitors through the use of IT.

A3Q1.3 – Why is it important that IS/IT strategies and plans be linked directly to the objectives and strategies of the business unit and of the organization as a whole? (Hint: Refer to GB1-SPIS in Chapter 1, page 116)

ANSWER

The IS/IT strategies and plans must be aligned and linked to the objectives and strategies of the business and organization for many reasons. Some of the reasons are explained below:

1. Business Strategy and Support – First and foremost, the IS/IT department by its setup or design, whether (conducted in-house or outsourced) must provide all the support to the business, and not the other way around. IS/IT can provide strategic value to the business, for example, by directly creating a business environment of operational excellence as in the case of Dell directly selling computers on-line, or by continuously improving products like Sony PlayStation, or by creating new services like the bank’s “Gold Customer” package, or by increasing fast food sales like the “MacDonald’s Foldover – SMS Race”. All these are made possible by creatively using IS/IT to support the business objectives. IS/IT is an instrument of implementation of strategy. It is also considered as an input to business strategy development because it has the potential to change and create new strategies as we described in the examples above.

2. Business Information Provider - IS/IT must capture critical business information to formulate strategic business plans. Take the case of the famous Microsoft Knowledge Base (MSKB) and Microsoft Developer Network (MSDN). One of Microsoft’s earlier strategies was to get customer feedback for software defects, customer complaints, as well as customers’ “wish list”. This is executed through its websites MSKB and MSDN. It is very important for Microsoft to capture these types of information, for example, to rectify its products, to introduce new functionalities to its products, to identify which product is hot selling, and at which geographical locations, to which customer groups, etc. In the later versions of Microsoft’s products, the capture for defects is so vital that the process has been automated via its embedded software (i.e. using IS/IT) such that the user just needs to click a
button to send the error report online and directly to Microsoft. This case is typical for the Microsoft’s “Critical Security Updates” and “Service Packs” for its various lines of operating systems and applications. Therefore, we can see that Microsoft regards feedback information as being critical in the formulation of its business strategies against its competitors.

3. **Business Performance Monitor** - Businesses need IS/IT to capture, monitor progress and performance of the organization. For example, a company implementing the Balanced Scorecard (BSC) needs to find some way to measure its KPIs (Key Performance Indicators). From these KPIs, the company can formulate its strategies. IS/IT is the perfect tool to provide such a facility. So here IS/IT is being implemented to support the objectives and strategic plans of the organization. The IS/IT cannot be on its own and exists for its own sake.

4. **Business Value Contributions** - Businesses need to make sure that the IS/IT spending contribute “value” to the conduct of business operations. For example, we need to understand all the IS/IT assets that we have in the organization. We need to record or inventory all the software, hardware, network systems, including IS/IT personnel, their expertise and experiences, etc. We need to rationalize the existing systems whether they are still relevant, whether there are new, better and cheaper, cost-effective technologies, etc., whether we have more IS/IT staff than the benchmarks for organizations of the same size and business complexity as ours, etc. These must be analyzed and reported to the company’s management so that there is some information measure of our IS/IT assets against the *value contributions* aligned to the business.

Otherwise, the IS/IT department is seen as a cost (spending) center without contributing value to the business, meaning – spending money yes, but not directed towards providing value contributions to the business. For example, spending on a high value, high cost notebook computer for a senior manager/executive with all the sophisticated gadgets and gizmos, is not providing value to the business if all the manager or executive does is visit websites, read and send emails. This is sheer wasteful spending. Such a notebook is said to be “not fit for its purpose”. This is not the right strategy of purchase of IT assets. We should get a notebook that is suitable for his purpose in the business i.e. to do office work. If he wanted a gaming/video notebook, tell him to buy with his own money. Ha ha ha.

**MISP2-A3Q2 – Planning and Strategy Formulation (SF).**

The basic functions of management cover: planning, organizing, motivating, staffing and controlling. (Reference: GB2-SMCC page 124, Table 4-3)

**A3Q2.1 – What is planning? List at least five(5) benefits that planning provides.**

**ANSWER**

Planning is the process by which one determines whether to attempt a task, works out the most effective way of reaching desired objectives, and prepares to overcome unexpected difficulties with adequate resources. Planning is about achieving something in the future.
A3Q2.2 – Why is planning essential for successful strategy implementation (SI) and strategy evaluation (SE)?

ANSWER

Planning is about making choices to achieve something in the future. Planning is essential for successful strategy implementation (SI) and strategy evaluation because organizing, motivating, staffing, and controlling activities depend upon good planning. (GB2-SMCC Page 124, 8 lines upwards from the bottom of page).

In other words, planning involves making the best choices among alternatives or options for all the rest of the functions of management: organization, motivation, staffing and control.

A3Q2.3 – What is the relationship between planning and strategy formulation (SF)? (Hint: It is about why we have this course called strategic planning (SP). Got it? Ha ha ha).

ANSWER

Planning and strategy formulation (SF) are directly related. It is obvious. Please see Table 4.3 in GB2-SMCC Page 124. Planning consists of all those managerial activities related to preparing for the future. Specific planning tasks include forecasting, establishing objectives, devising strategies, developing policies and setting goals.

“Planning” is about making choices to achieve something in the future. “Strategy” is about achieving competitive advantage (i.e. getting into winning positions) also about in something in the future. Both are futuristic.

So when we add both words, “Strategic Planning” is about making choices to achieve competitive advantage (i.e. getting into winning positions) in the future. Ha ha ha. Note that the future has not happen yet. It is coming. It is about preparing now to win in the future. I hope you get the idea.


Some important issues regarding the importance of information are discussed in GB2-SMCC on page 144.

A3Q3.1 – How does a Management Information System (MIS) support managerial decision making?

ANSWER

A Management Information System’s (MIS) purpose is to improve the performance of an enterprise by improving the quality of managerial decisions. (GB2-SMCC Page 144, 3 paragraphs upwards from the bottom of page).
The MMU Multi-Media Learning System (MMLS) is an example of a management information system. In this case it is the management of student’s learning at MMU.

The MMU Integrated Computerized Education Management System (ICEMS) is another example of a management information system.

How do (not what is) the MMLS and ICEMS help improve quality of managerial decisions at MMU? Ha ha ha. The discussion will be explained after answering the next question A3Q3.2.

A3Q3.2 – What should an effective MIS be like?

ANSWER

An effective management information system (MIS) collects, codes, stores, synthesizes, and presents information in such a manner that it answers important operating and strategic questions. The presenting of information is generally term as “reporting”. It is the reports from the MIS that provide information for making high quality managerial decisions.

Data records for a single student in MMLS or ICEMS does not give much value for decision making. It provides value but not much. It is when we have reports on a group of students that help decision making.

For example, the report on the percentage of students getting grades A, B, C and F for a particular subject during a semester is important. It tells us whether the course was too easy or too tough. It tells us whether we should change the lecturer or not the next time around we conduct the course. And so on. We also could study reports in ICEMS on students’ evaluations of lecturers or tutors. Why are the lecturers and tutors getting low scores? Why are the students “angry” at the course? Are we having problems with the “course” or the “students”? Are they first time students or repeat students? Why? Why? Why? What if we do this the next time? Ha ha ha.

The key point is, as soon as we have data, we can organize them into information. With this information we can make decisions. The more data we have the better we are at making decisions, I hope. Remember the story of “McDonalds Foldover – SMS Contest” and the DIKAR model. This is how MIS has helped improve managerial decision making. Really, it is about MIS data turning into information for decision making about what to do in the future. What is past is past. Nothing can change what had happened in the past. Got it?

A3Q3.3 – Continuing from the question MISP2-A3Q2.3 above, what is really the relationship between information and strategic planning (SP)? (Hint: It is why we have this course called information strategic planning (ISP). Again ha ha ha. Do you get where I am getting to? Just add M for multimedia, we finally get MISP) Wow wee Wow wee. Pheeeep. At MMU, everything is multimedia ... Why? ha ha ha.

ANSWER

In A3Q2.3 we said, that “Strategic Planning” is about making choices to achieve competitive advantage (i.e. getting into winning positions) in the future.
In A3Q3.2 we said, that reporting in MIS changes data into “information” that helped improve decision making. So the relationship between “information” and “strategic planning” should now be obvious.

We need good “information (I)” to make good decisions in “strategic planning (SP)”. Therefore, by a simple connection of the right words in the final sentence, we get to “information strategic planning (ISP)” as being about information for making choices to achieve competitive advantage (i.e. getting into winning positions) in the future. That is how ISP comes about. Ha ha ha. Do I also have to explain about how MISP comes about? Ha ha ha.


A3Q4.1 – In the article, go to Section 6 on page 106 under The Nature of Adaptation. Look for “One main law which underlies modern progress, except for the rarest accidents of chance, thought precedes observation. The novel observation which comes by chance is a rare accident and usually wasted”. Essentially, this principle says that what you see is what you are looking for. How would you apply this principle in developing strategies in your personal life? Remember to relate to the “uncertain future”.

ANSWER

The principle is: “We must know what we are looking for, only then there is a possibility that we will find it”. To apply this principle in our life is really straightforward.

- What we want to become (vision) in the future
- What we want to do continuously (mission) in our life.
- Identify what we are looking for in our life (goals or objectives).

Only by knowing what we are looking will we be able to strategize and plan our course of actions to achieve our objectives. This is what the article says about being able to find strategic opportunities. You must continuously have that “thinking in your head regarding what you are looking for”, so that when you move around you will be able to spot one when it comes across you.

Otherwise, “without having any wanted targets in our head”, we will just be “floating along carried by the currents and the waves”, “live and let live” and “die and let die”. We may unintentionally pass by “a beautiful, seductive, sexy, desirable and willing woman” just because we were not “thinking about sex” in our head at that time. (Must be a very pious man. Ha ha ha.)
Furthermore, if we do not know what we are looking for, we may be in the position of not taking control of our life. Or we let others control our life. Ha ha ha. “King Control” or “Queen Control”? That is the question. Ha ha ha.

If we cannot find what we are looking for, then we create it. Ha ha ha. Why not? If you want to eat “sambal belacan” and you cannot buy it because you are somewhere in a remote place in North America (nobody there knows sambal belacan except you, and you really wanted it bad), then “make” the sambal belacan yourself. Similarly, by analogy, if you cannot find a girl that fits your specification to become your wife and bear you children, then you must create one. Ha ha ha. What I mean was, go on and keep on looking for one. For that purpose you must always “keep a mental model of your ideal wife” in case you might pass by one (i.e. did not notice) unintentionally.

A3Q4.2 – In the article proceed to Section 8 on page 109, under Strategy and Uncertainty. Explain why you are advised to use the five frameworks of being relevant, valid, complete, simple and practical to guide you in developing effective and successful strategies. (Hint: This is about something in your head – Strategy as a mental Model).

ANSWER

When we look around for strategies, we must have a framework in our mind, “strategy as mental model”, with the ideas of looking at things that solve the right problem (relevant), things that really work (valid), things that will have no missing elements (complete), things that are not complicated (simple) and things that can be put into practice (practical).

The dictionary meanings of the words (relevant, valid, complete, simple and practical) are provided below:

**Relevant** - means having a bearing on or connection with the matter at hand. The framework seeks to solve the right problem.

**Valid** - means containing premises from which the conclusion may logically be derived. The framework does in fact solve the problem, meaning it really works.

**Complete** - means having all necessary or normal parts, components, or steps, etc with nothing missing. The framework applies to nearly all the situations faced.

**Simple** - means having or composed of only one thing, element, or part and not elaborate, elegant, or luxurious. The framework is simple enough to be remembered and used. It is not complicated.

**Practical** - means relating to, governed by, or acquired through practice or action, rather than theory, speculation or ideals. Essentially practical means can be put into practice. The information to use this framework is available.

MISP2-A3Q5 – No simple formula to develop a nation. God Willing we will succeed.
Study the full text of the famous speech on 28 February, 1991 by our previous Prime Minister, YAB Tun Dr Mahathir Mohammad, titled “The Way Forward – Vision 2020”. (Reference: MISP2-MiniCase-Assn3-Q5.pdf)

Answer the following questions:

A3Q5.1 – Read the full article. How many times (count them) were the following words cited in the article? (a) education (b) excellence (c) attitude.

**ANSWER**

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Entertainment = 0 times cited (“Akademi Fantasia” & “Sure Heboh” ha ha ha.)

A3Q5.2 – Reproduce in full the specific paragraph involving “economic objective” that contains the excerpt “... economy driven by brain power, skills and diligence in possession of a wealth of information, ...”. (Extract that paragraph and print it as is in your assignment submission)

**ANSWER**

The second leg of our economic objective should be to secure the establishment of a competitive economy. Such an economy must be able to sustain itself over the longer term, must be dynamic, robust and resilient. It must mean, among other things: A diversified and balanced economy with a mature and widely based industrial sector, a modern and mature agriculture sector and an efficient and productive and an equally mature services sector; an economy that is quick on its feet, able to quickly adapt to changing patterns of supply, demand and competition; an economy that is technologically proficient, fully able to adapt, innovate and invent, that is increasingly technology intensive, moving in the direction of higher and higher levels of technology; an economy that has strong and cohesive industrial linkages throughout the system; an economy driven by brain-power, skills and diligence in possession of a wealth of information, with the knowledge of what to do and how to do it; an economy with high and escalating productivity with regard to every factor of production; an entrepreneurial economy that is self-reliant, outward-looking and enterprising; an economy sustained by an exemplary work ethic, quality consciousness and the quest for excellence; an economy characterized by low inflation and a low cost of living; an economy that is subjected to the full discipline and rigor of market forces.

A3Q5.3 – As a university student (at MMU, and at any university for that matter) provide your personal views with regards to your “quest for
excellence” in the new competitive economy as described in the extracted paragraph in A3Q5.2 above. (Simply, this question requires you to identify and define clearly your vision in an area of excellence you wished for, some specific objectives, some of the strategies, and actions, i.e. how you would achieve them. Ha ha ha You can’t copy and paste on this one.)

ANSWER

The famous (seminal) book title “In Search for Excellence” by Tom Peters and Robert Waterman, was published in 1982, and remains one of the biggest selling and widely read business books ever. It started off from a “Business Strategy” project at McKinsey Consulting.

You may go to http://www.businessballs.com/tompetersinsearchofexcellence.htm

As far as I am concerned, and I believe very strongly, there are really no major differences between the “business organization” strategy and the “me organization” strategy. The strategic actions may be different but the strategic ideas are the same.

According to McKinsey 7-S Model elements, I have to develop the following seven items for my success:

1. **structure** to organize and position myself correctly to achieve excellence
2. **strategy** to generate ideas to win over my challenges and competitors
3. **systems** to help me conduct activities orderly, traceably and systematically
4. **style** of management to manage my time, resources and money
5. **skills** to use and enhance my strengths, eliminate weaknesses continuously
6. **staff** to get support from my wife and children, family and society around me
7. **shared** values to be always thankful to Allah for both my successes and failures

With the above, I have just laid out some of my ideas for “my search of excellence” and shared them with you. Of course, I will not tell you the details how I will execute them. Ha ha ha. That will be revealing “my trade secrets”. Ha ha ha. There are a lot of challenges and competitors out there so I must be very careful. Anybody wants to “do a merger with me” to capitalize on both of our strengths and overcome our weaknesses? Ha ha ha. Anybody wants to “hostile takeover me”? Ha ha ha. Why?

**LIFE IS REALLY NOT SIMPLE, IS IT?**

Unfortunately, there is no simple formula to develop a person. To achieve whatever vision one has, many many things must be done by us with the help, of course, of many many people, most of all Allah SWT (“God of Perfect Glory and the Most High”). And the things must be done as correctly as possible. We must not be afraid to venture and try new things – “no pain no gain”. We must be prepared to be self critical of ourselves and to be willing to make corrections. And God Willing we will succeed in our search for excellence.

Possible examination/quiz question “McKinsey 7-S Model Elements”? Why not? Go to wikipedia and try search for these phrases “subhanallah” and “alhamdulillah”. As I said do not be afraid to try new things. You will be surprised. Ha ha ha. Wow wee, wow wee. Pheeeeeeep. Ho ho ho. Why not after that try Google search? Ha ha ha.