UNIVERSITY OF SWAZILAND

FACULTY OF COMMERCE

DEPARTMENT OF BUSINESS ADMINISTRATION

SUPPLEMENTARY EXAMINATION 2010

TITLE OF PAPER:	**STRATEGIC INFORMATION SYSTEMS**
DEGREE AND YEAR:	BCOM V (F/T) & BCOM VII (IDE)
COURSE NUMBER:	BA 502/ IDE BA 502
TIME ALLOWED:	TWO (2) HOURS

INSTRUCTIONS: **1. THIS PAPER CONSISTS OF SECTIONS (A) AND (B)**

2. THE CASE STUDY SECTION (A) IS COMPULSORY

3. ANSWER ANY TWO QUESTIONS FROM SECTION B.

Note **MARKS WILL BE AWARDED FOR GOOD COMMUNICATION IN ENGLISH AND FOR ORDERLY PRESENTATION OF WORK**

THIS EXAMINATION PAPER SHOULD NOT BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR.

TOTAL MARKS: 100

SECTION A: CASE STUDY
COMPULSORY

INFORMATION TECHNOLOGY AND E-COMMERCE AT STANDARD BANK

What we do
Direct the deployment of information technology for the group, run a secure computer and network infrastructure, and build new IT-based systems and services in partnership with business units and in accordance with a formal IT architecture.

This division operates IT systems for all group businesses in Africa. International Operations run their own systems, while SCMB builds its own IT-based applications and capitalises on the domestic infrastructure where appropriate.

Increasingly, the group's IT architecture is being positioned to serve the group worldwide.

How we did
We did well on service. The production systems supporting our key customer services and critical internal services reached new levels of performance in 2001 and several new services were introduced. We achieved savings of R96 million against budget.

We measured the delivery of new services better than previously, with a focus on achieving significant value from several large projects rather than investing in many small initiatives with dubious incremental value.

Seventy projects each costing R1 million or more were delivered, with 10 being more than R5 million.

Strategies need to be aligned
We proliferated the now well-established technical architecture, branded BlueCore, to channels as diverse as Branch Services, the Customer Contact Centre and Credit Management, and extended its reach in our mainframe and front-end systems' software.

If we are to realise the full value of our enterprise architecture and the associated delivery systems, the group's different business units must be aligned with the group IT strategy. Much work went into achieving this alignment for the Retail Bank and for other groupwide entities. This enabled us to link our IT investment strategies directly to the relevant business units' financial plans and budgets for 2002 and beyond.

If we wish to sustain high performance levels across many channels, we need a disciplined methodology that can process customer transactions with integrity. We therefore increased investment in systems construction methods, branded BlueProcess, which includes professional project management and change control software and techniques.

New Internet Banking service launched
We constructed several new systems to improve customer service, including a new Internet Banking service which, like bluebean.com, is based on BlueCore architecture. Thus the sharing of infrastructures and reuse of software, set as our strategic objectives in 1999, are becoming a reality.

We're getting a better view of the customer
We enhanced the services offered through our Customer Contact Centre by using Siebel customer relationship software and by reusing software from other channels.

This project, as well as other initiatives involving the rationalisation of information on customers in different business units, will help us achieve the goal of obtaining a single view of a customer's relationships with the bank.

New services provided in branches
The first of a set of new and enhanced services was implemented in branches during 2001. This programme will continue well into 2003 and 2004.

Other services launched
Less visible initiatives successfully completed included improvements to Namibia's ATMs, the introduction of a cellphone banking channel on a deliberately low-key basis, increased security on certain emailed statements, provision of "bank@work" for the staff of certain corporate customers and improved processes for Stannic.

Work on technologies such as image and workflow continued in several business units.

We use data and information more smartly
Our goal, stated last year, to establish an "Operational Data Store" (ODS) was achieved in 2001. Reliable "singleversion- of-the-truth" information is available in support of customer service and management information systems.

A new Business Intelligence Centre of Excellence was established to ensure smart and efficient use of the ODS and of the broader Enterprise Information Warehouse which will emerge from the ODS and other data stores, including the SAP Business Warehouse.

New SAP system implemented
The major projects to replace our domestic financial management systems with SAP, as well as new solutions for property management and procurement, were delivered on time and within budget and without any significant processing problems.

New services for Stanbic Africa
Various new services were implemented in certain African countries, including ATM services and cheque code-line clearing. Systems were implemented to support services in new branches of Stanbic Africa in seven countries ranging from Nigeria to Mauritius.

Service reliability is rated tops

Stable, error-free and high performance production systems remained key to our services during 2001. Performance on these services was rated higher by our users than ever before and we continued the policy of benchmarking ourselves against best of breed.

The focus in 2001 was on the Compass mainframe benchmark and on the Gartner office desktop total cost of ownership (TCO) benchmark. Both showed cost advantages over respective peer groups. Compass reflected a 30% advantage.

IT security beefed up
In accordance with international best practice, the IT Security function was separated from the main computer processing unit. It reports independently to the head of Group Risk.

During 2001, we maintained our practice of continuously introducing new security features, including key management systems for branch systems, PIN/key management generally, Oracle systems security, firewall services, virus detection and prevention solutions, and penetration tests which we commissioned from external parties.

The year ahead

We will:

- launch an offshore Internet banking service;
- grow and promote our cellphone banking service;
- deliver several flexible services for specific customer segments, including personalisation, further rollout of Siebel, CRM in the commercial market and new IT systems for Stanbic Africa;
- provide a new human resources system;
- extend SAP to other business units, including Standard Bank London in 2002;
- invest in smart card technology to meet international target dates for compliance. We will work with other banks on smart card initiatives including the possibility of shared switching services. Smart card proliferation will require extensive changes to technology at ATM terminals and point of sale devices;
- apply advanced analytical techniques to the Enterprise Information Warehouse data to gain better understanding of customer behaviour and needs, so improving customer service, marketing, credit control and fraud prevention;
- collaborate with any entity which also embraces the opportunities for different business models presented by new information technologies; and
- implement ever more rigorous processes in systems development, IT operations, disaster recovery, and IT security processes.

Source: http://www.standardbank.co.za/site/Test_Investor/corp_divisions07.html

SECTION A: Questions:

a. Is Standard Bank following a centralised or decentralised approach in managing the Information Technology unit? (10)
b. In your assessment is this structure appropriate for the organisation? Give reasons for your answer. (20)
c. Having read the case above, would you recommend outsourcing the Information Technology function at Standard Bank? Why or Why not? (20)

SECTION B
Answer any ***two*** questions from this section

Question 1

You have been recently employed as an advisor to the Information Technology Director of a financial services company. He has called upon you to advise him on what you consider as the best practise in using information technology to improve competitive advantage. Advise. (25)

Question 2

Discuss the effect of redundancy and the other factors that affect the availability of information technology services. (25)

Question 3

How can an organisation ensure the provision of safe and secure information technology services? (25)

Question 4

Should traditional information technology development methodologies be neglected in favour of adaptive methodologies? (25)