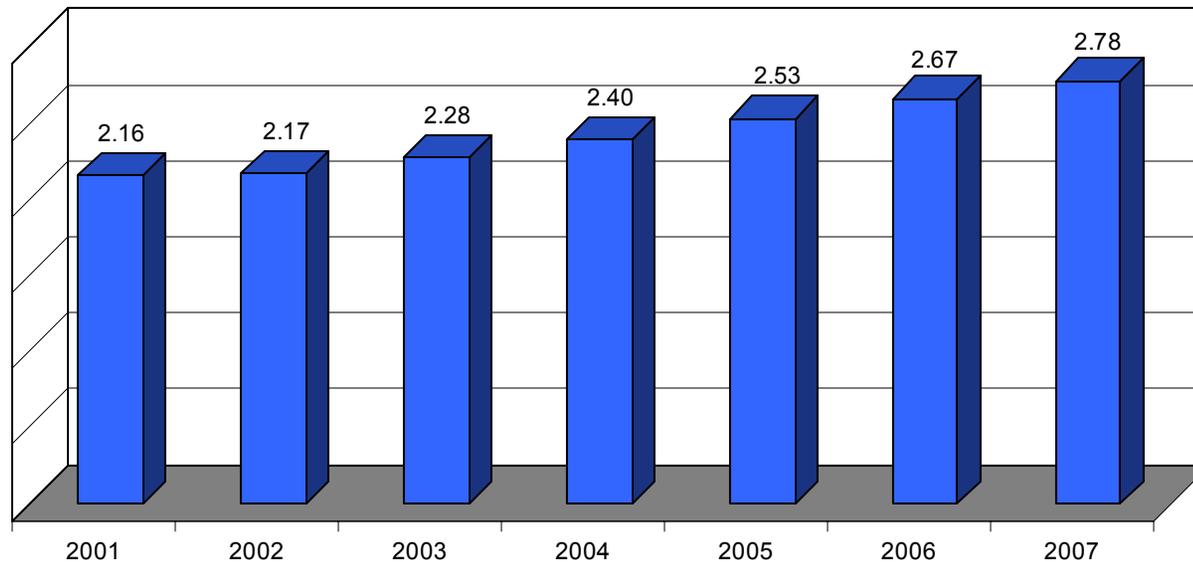


Managing Information, People and IT to Drive Business Performance

enterpriseIQ®
PROVEN BUSINESS ANALYTICS

The Elusive Value of IT

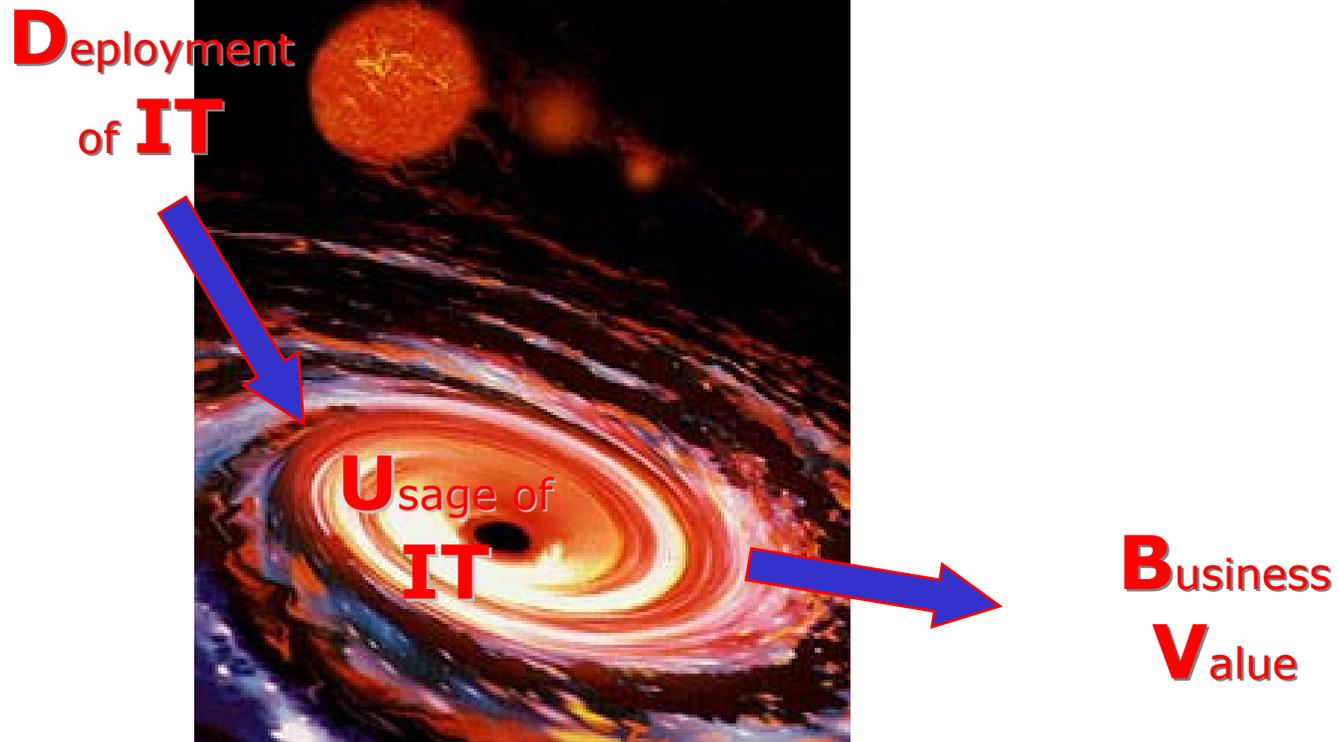
“The Information Technology (IT) Paradox”



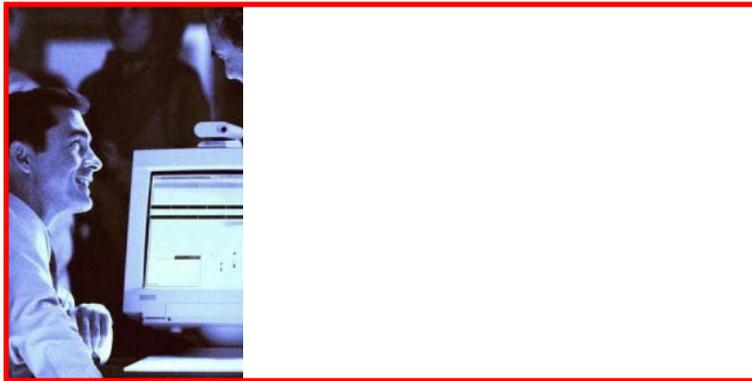
Worldwide IT Spending
(In Trillions of Dollars)

Source: Gartner Dataquest June 2003

For many managers, Information and IT Usage is a “Black Hole”: They focus on IT Deployment and expect a direct link to Business Value



Business managers typically look at IT as a visible (hard) factor that they can invest in and influence.



**Information
Technology
Practices**

- **See**
Adapt/align IT to the business
- **Measure**
User satisfaction
Quality of IT Services
- **Manage**
IT Project Portfolio
ROI of IT Projects

The Business Value of IT

Visible Hard Factors



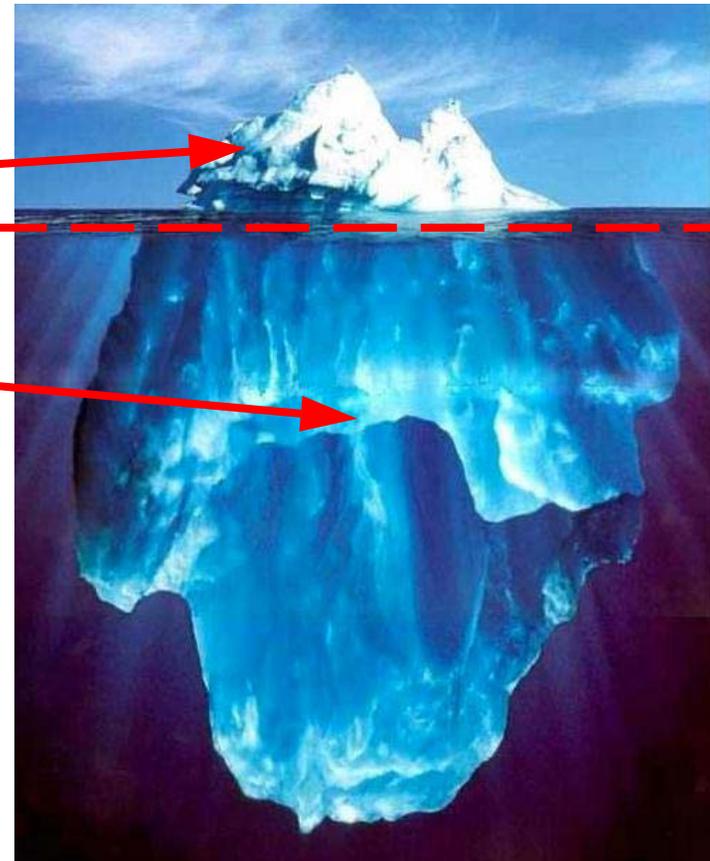
Deployment of IT

IT Deployment (25%)

Invisible "Soft" Factors

Information and IT Usage by people (75%)

- Managers
- Employees
- Customers
- Partners
- Suppliers



Soft factors are not captured and factored into the measurement and management approaches.



Information Behaviors and Values

Information Management Practices

Information Technology Practices

- **Difficult to See**
Information's Value
- **Difficult to Measure**
Employees' Behaviors and Values for Using Information
- **Difficult to Manage**
Better Knowledge and Information Management

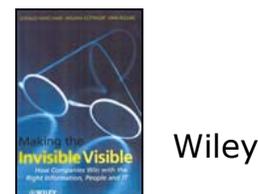
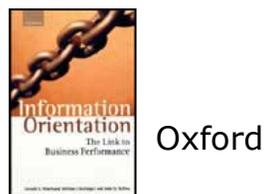
Four Years of Leading Edge Innovative Research

- Conducted at Europe's leading Business School:
IMD in Switzerland
 - Over 100 global companies including:

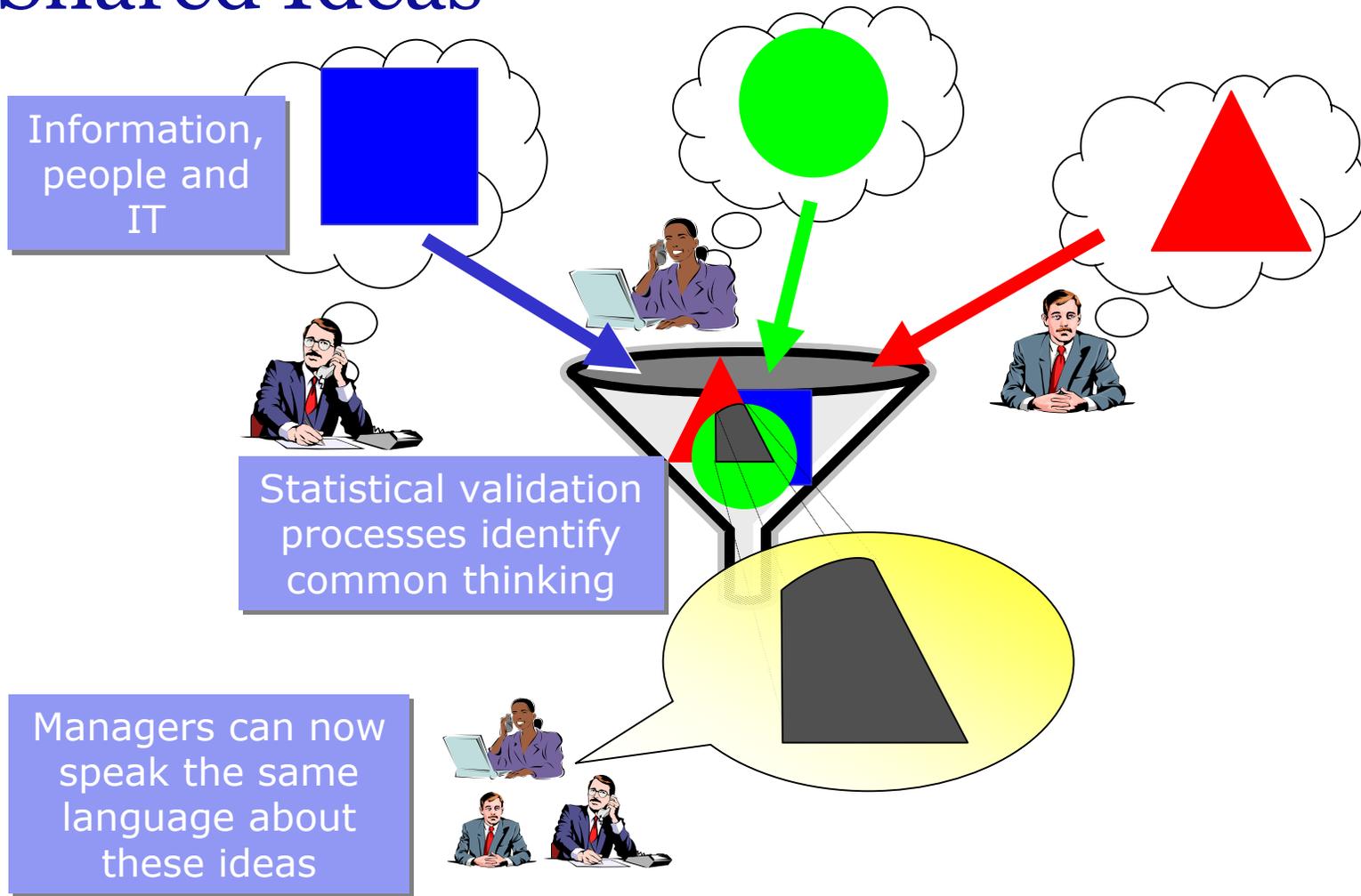


- More than 1200 senior managers
- Across 26 industries
- Nearly 40 countries

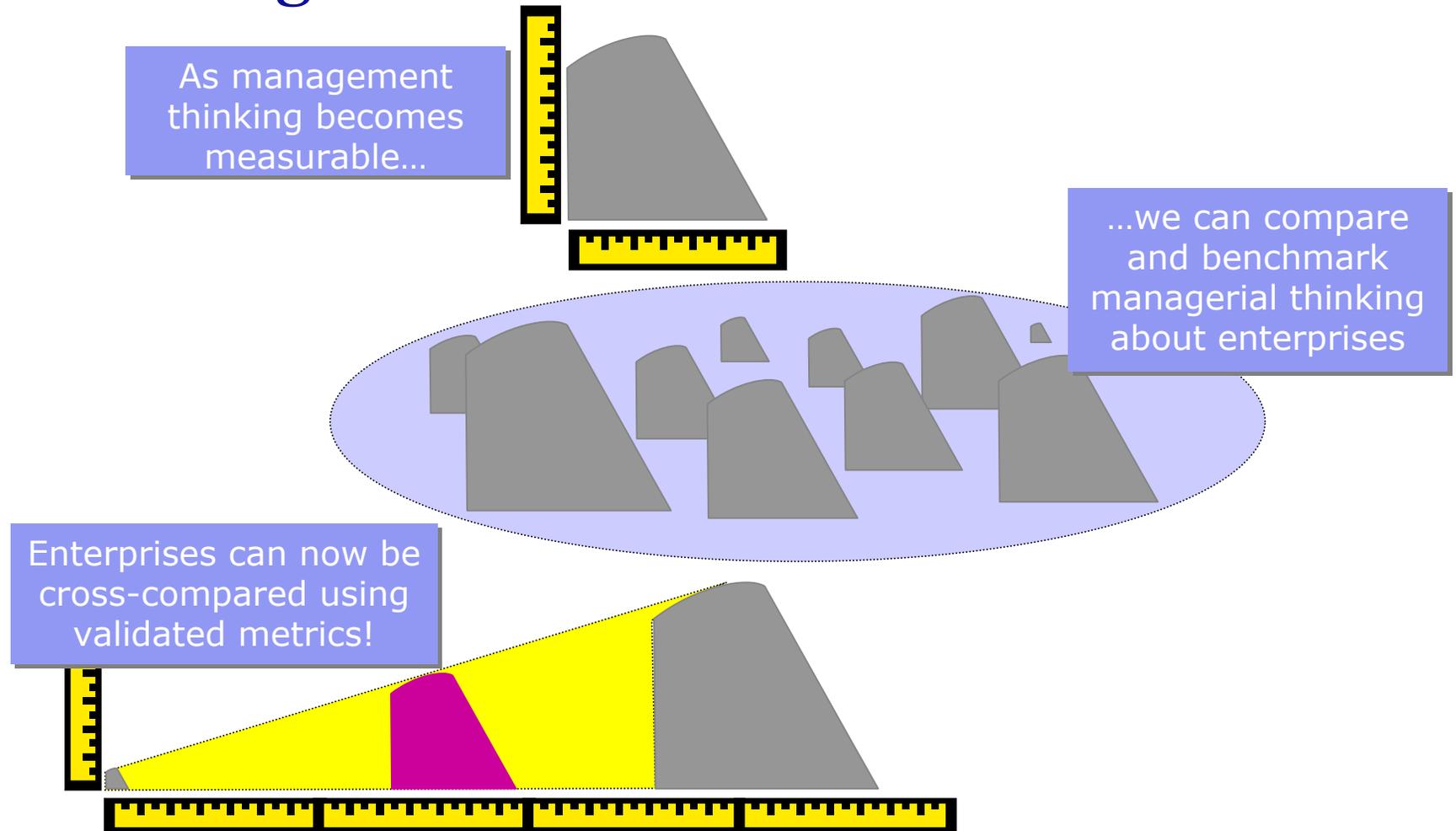
- Leading international business publications



The Research Focuses on Managers' Shared Ideas

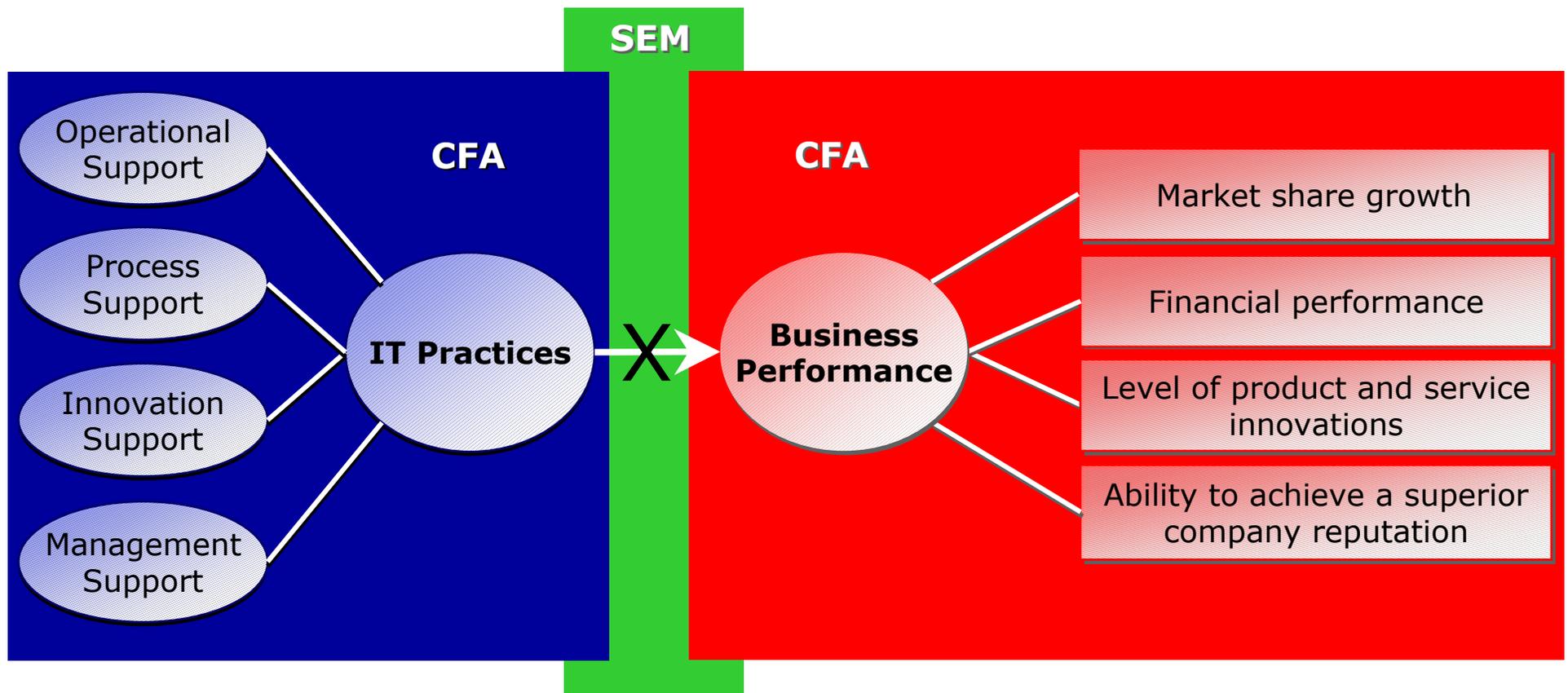


Validation of Shared Ideas Allows Measurement and Comparison of Managers and Management Teams



Our Analysis Confirms or Disconfirms Shared Ideas of Managers and Management Teams

Example: Confirmatory Factor Analysis (CFA)
Structural Equation Modeling (SEM)



New Performance Metric

Information Orientation **IO**
is the first, validated Measure
of Information Effectiveness
to Business Performance

People

Information Behaviors
and Values (IBV)

Proactiveness
Sharing
Transparency
Control
Formality
Integrity

Information

Information Management
Practices (IMP)

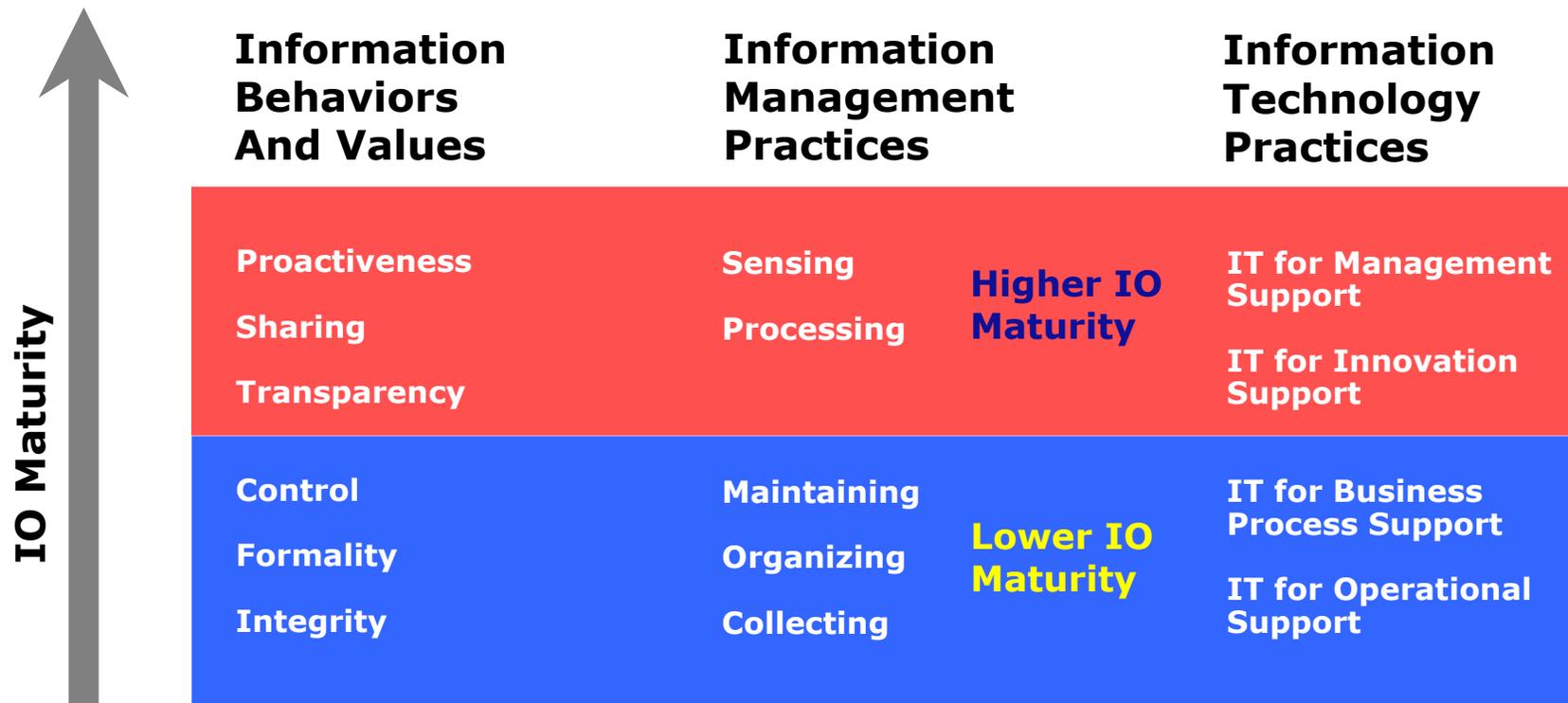
Sensing
Processing
Maintaining
Organizing
Collecting

Technology

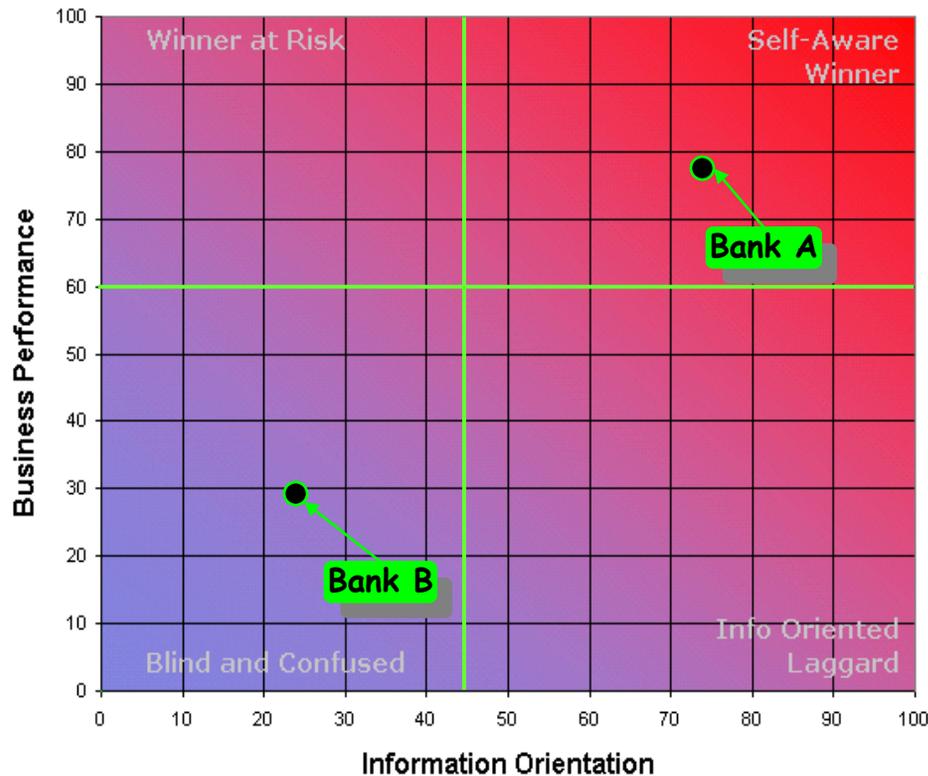
Information Technology
Practices (IMP)

IT for Management Support
IT for Innovation Support
IT for Business Process Support
IT for Operational Support

The **IO** Maturity Framework: Management Prescriptions for Information and Knowledge Use



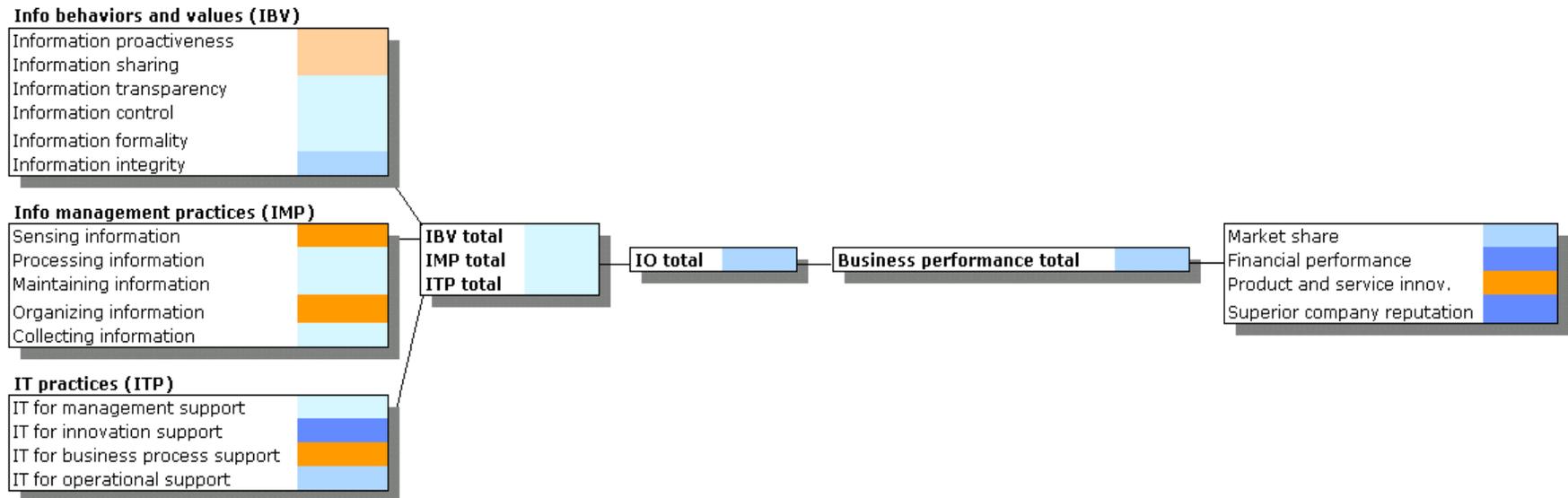
Differences Between High and Low IO Companies



- Self-Aware Winner**
Practices Information Orientation to drive high performance
- Winner at Risk**
Delivers good performance now, but lower IO may prevent continued success
- Info Oriented Laggard**
Understands Information Orientation, but suffers fundamental weaknesses
- Blind and Confused**
Major business change required/needed

— Median
0 and 100 represent the minimum and maximum values of the benchmark

Bank B: Low **IO**, Low Business Performance

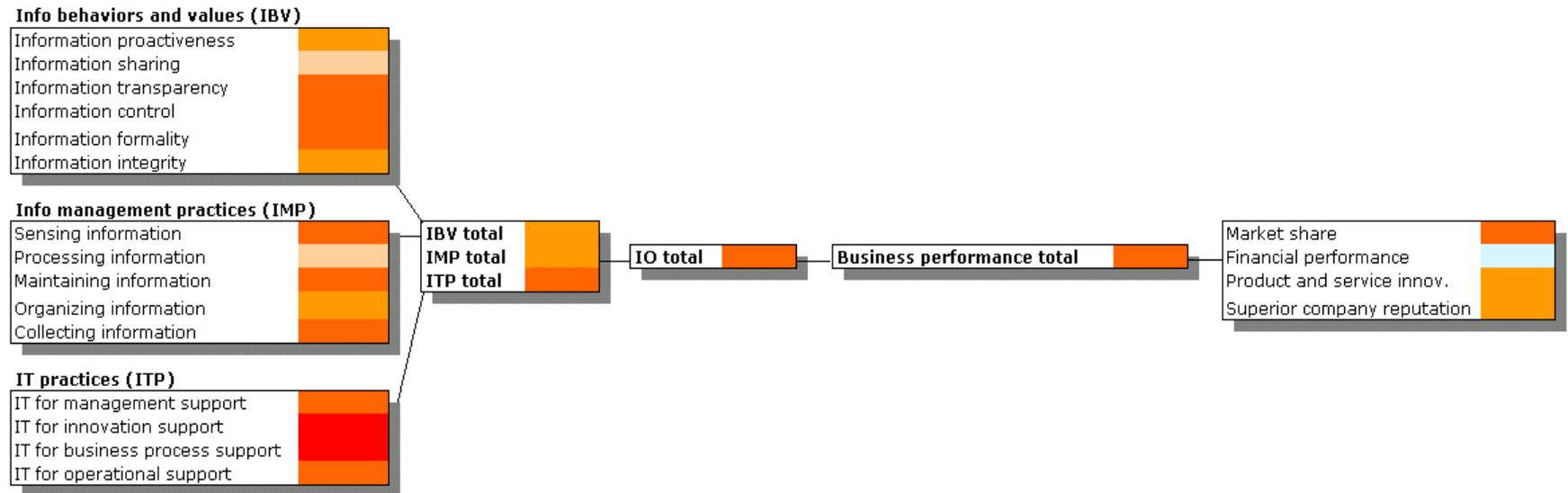


- The majority of IT resources and personnel were committed to converting the IT operational and transaction systems of the bank with that of a merged bank. After five years, only 80% of the two systems had been merged.
- Two additional restructuring programs, the transition to the Euro, and Y2K during the late 1990s continued to focus the IT department's attention almost exclusively on infrastructure and operational issues.

Low **IO**, Low Business Performance

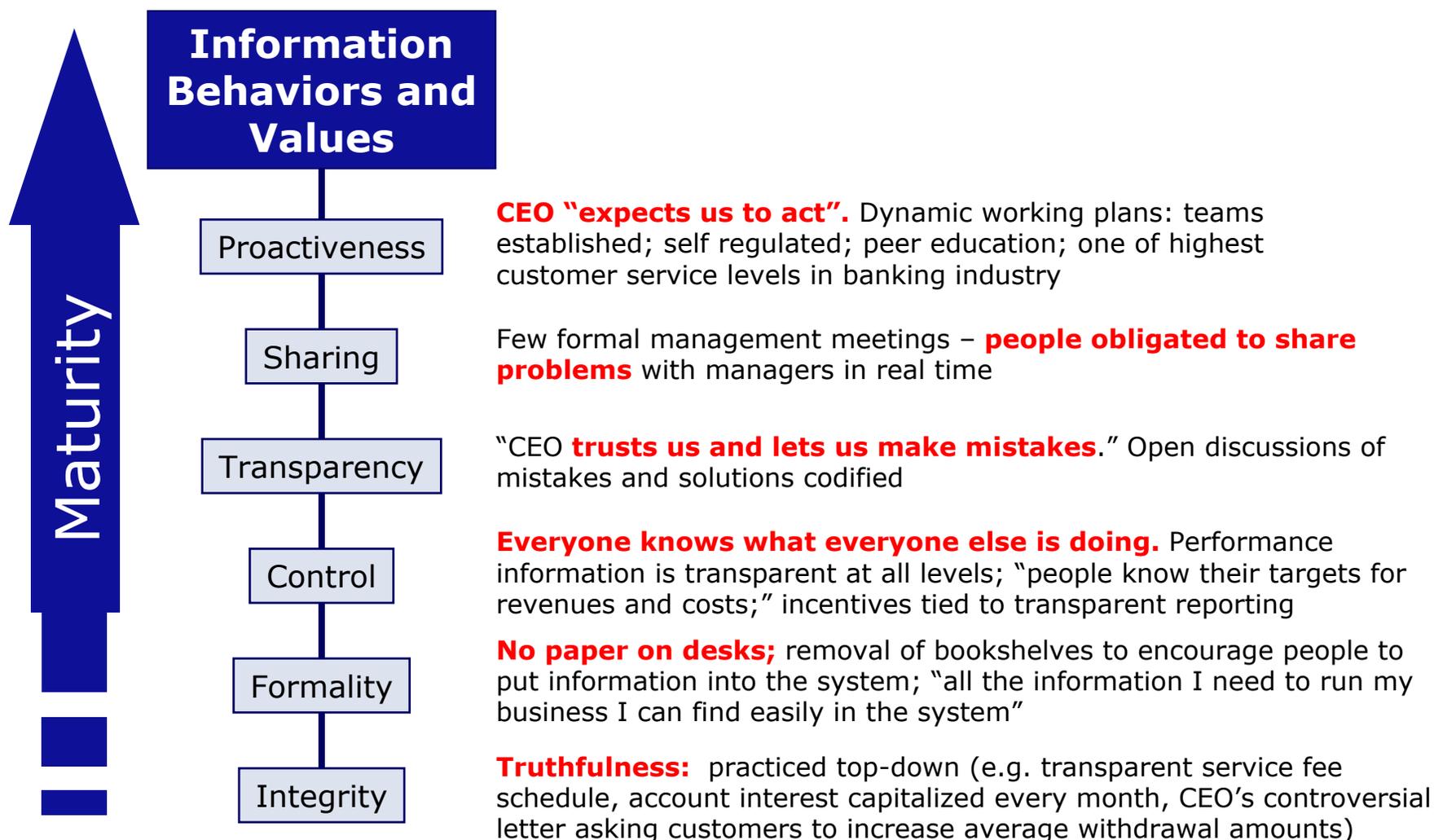
- Customer channels fragmented
- Cross-selling in the branches failed
- Relationship managers relied on personal systems
- Product managers had inadequate decision-making tools and complained of overload
- Senior managers blamed "IT problems" for under performance

Bank A's Senior Managers Focused on Both Hard and Soft Factors

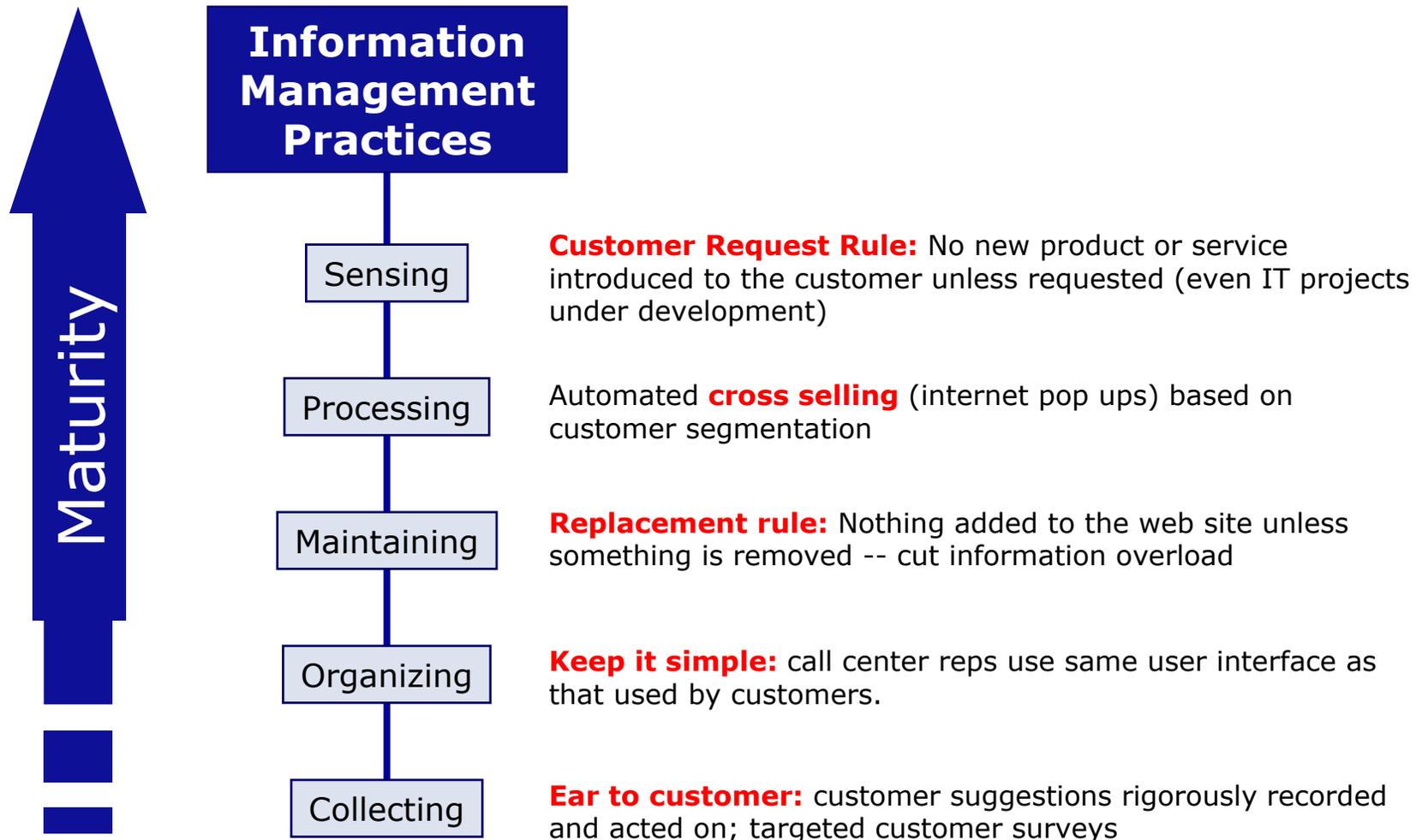


- First successful branchless bank in region, profitable since opening, 1996.
- Value Proposition to Customers: truthfulness, simplicity, high interest rates
- In 2000, awarded **Best Bank of the Year** in country for the third year in a row.
- By 2001, country's fifth largest retail bank with 400,000 customers, **growing at an annual rate of 25%**

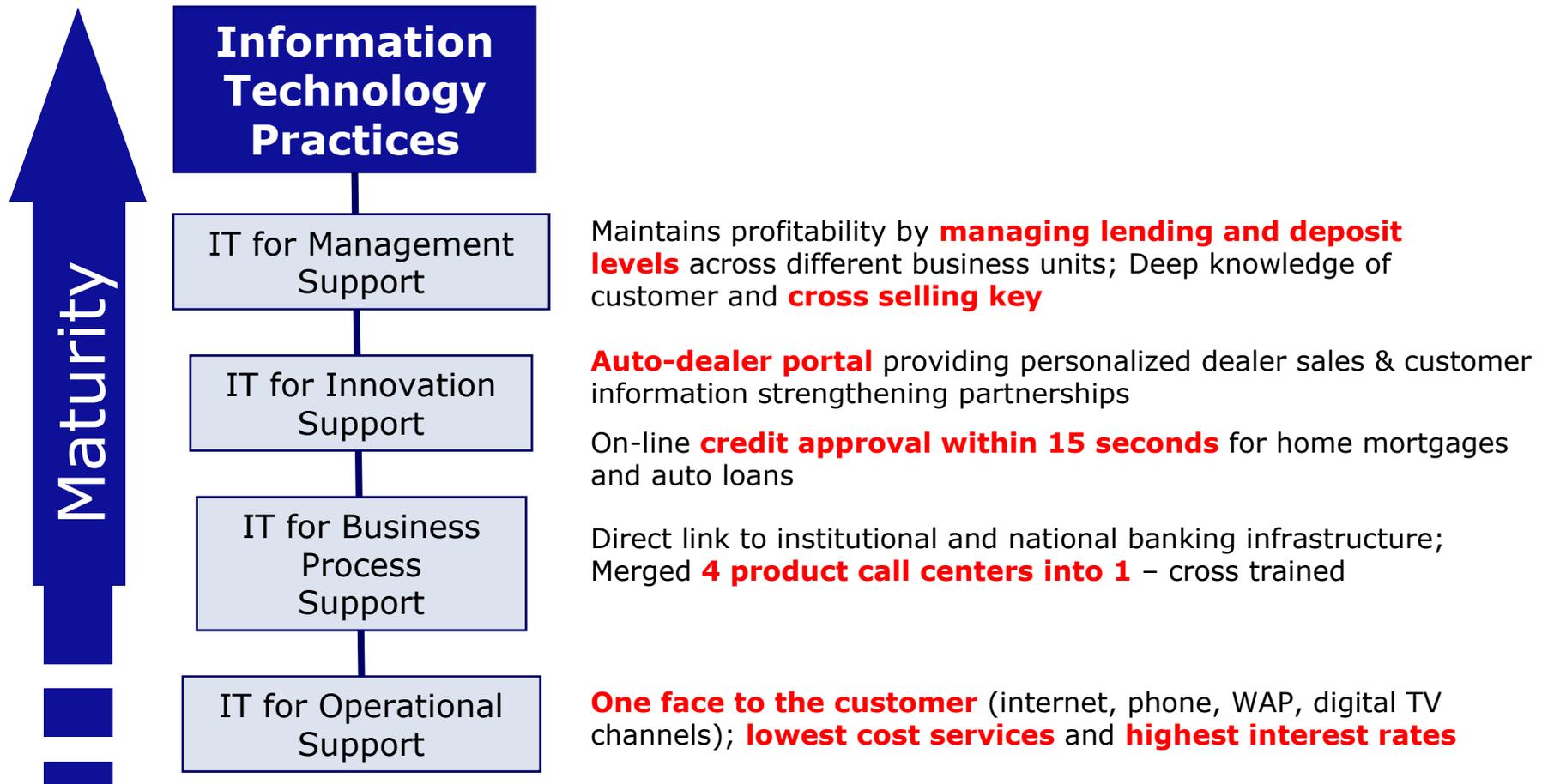
Bank A: Developing IBV Maturity



Bank A: Developing IMP Maturity



Bank A: Developing ITP Maturity



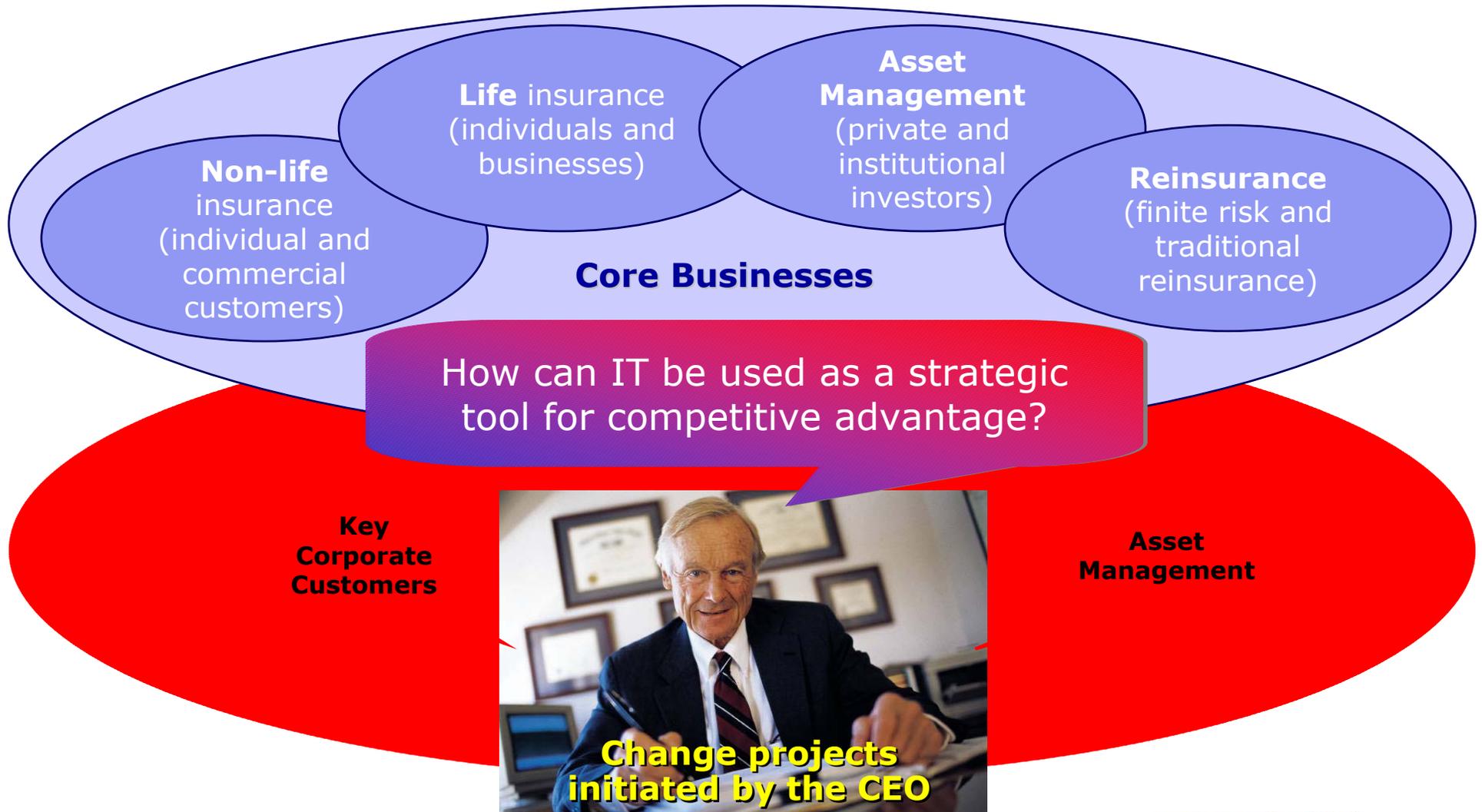
Global Financial Services (GFS) Group – Case Study

GFS

- In 60+ countries
- 30 million customers
- 60,000 employees
- Annual revenues of \$40 billion
- Manages \$300 billion of assets



The Importance of Asking the “Right” Questions



GFS' SWOT Analysis of the IT Area: Focus and Key Weaknesses/ Opportunities

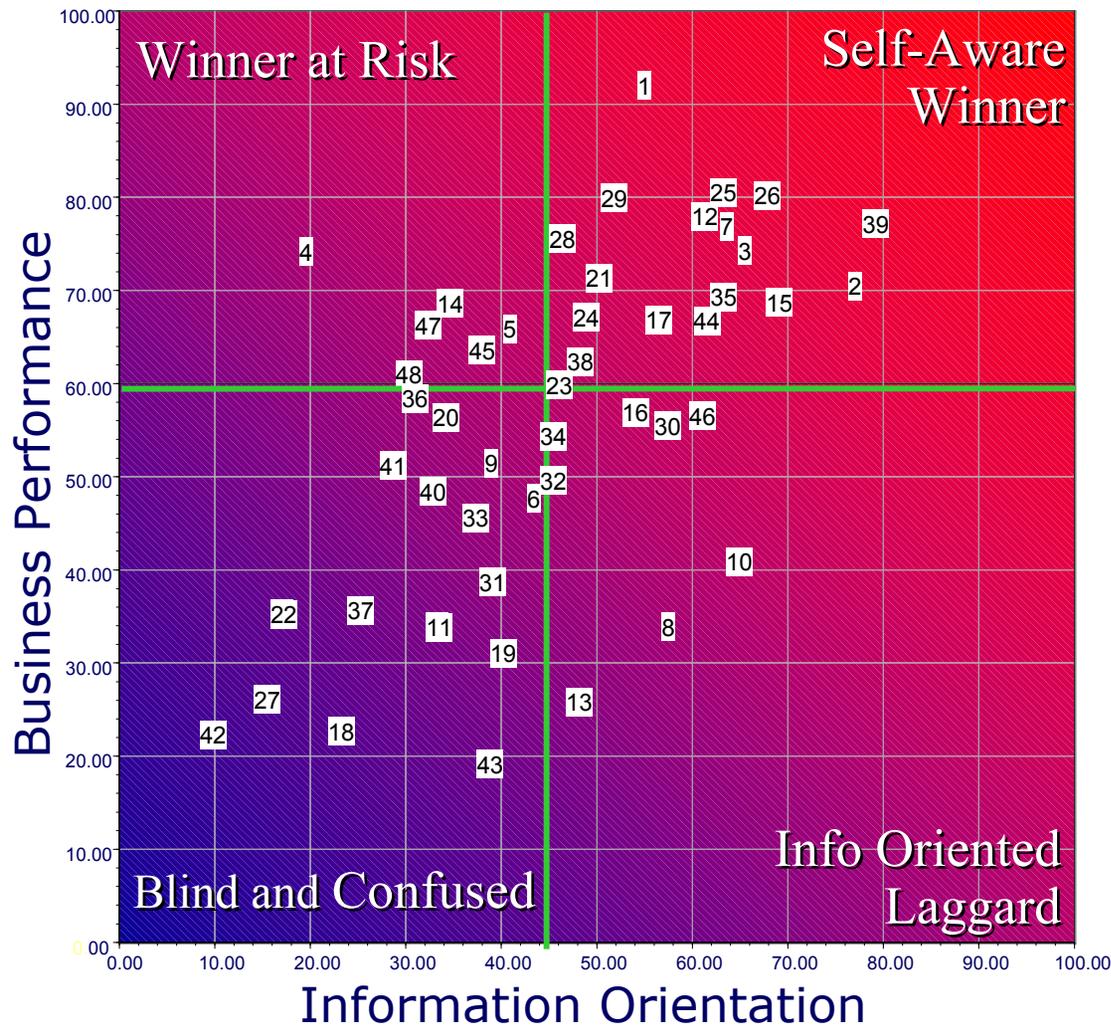
Focus

- Competitive analysis: IT focus
- Current and new technology: business impacts
 - mobile computing,
 - call centers,
 - E-commerce
- IT capabilities: money, people, organization
- Past and current IT projects: evaluation

Key Weaknesses/ Opportunities

- Organization, culture, and skills
- Measurement systems
- Accessibility of data
- Uniformity of worldwide service standards
- Regulatory requirements
- Funding mechanisms for IT

BU Comparison: Information Orientation vs Business Performance



Self-Aware Winner
Practices Information Orientation to drive high performance

Winner at Risk
Delivers good performance now, but lower IO may prevent continued success

Info Oriented Laggard
Understands Information Orientation, but suffers fundamental weaknesses

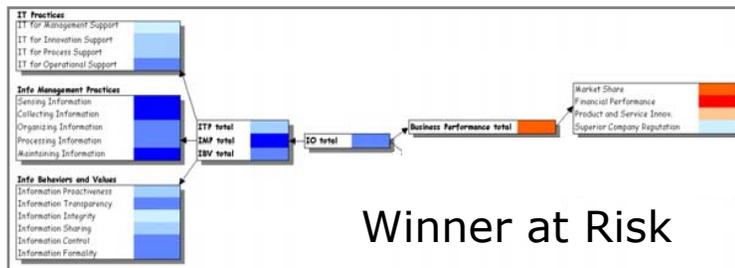
Blind and Confused
Major business change required/needed

— Median

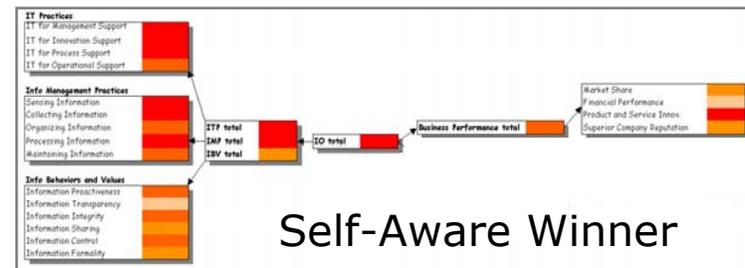
The Management Challenge: Optimize the Portfolio Strategy Across the Group

IO Diagnostic™ Conclusion:

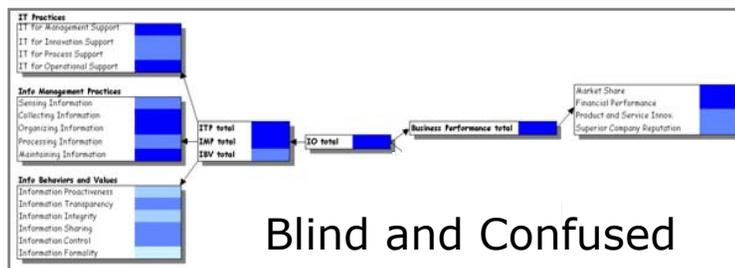
Managers have to build on their strengths and minimize their weaknesses across all BU's to improve the overall Information Capabilities of the Group.



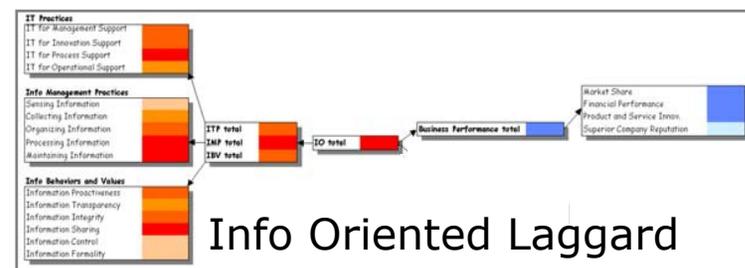
Winner at Risk



Self-Aware Winner

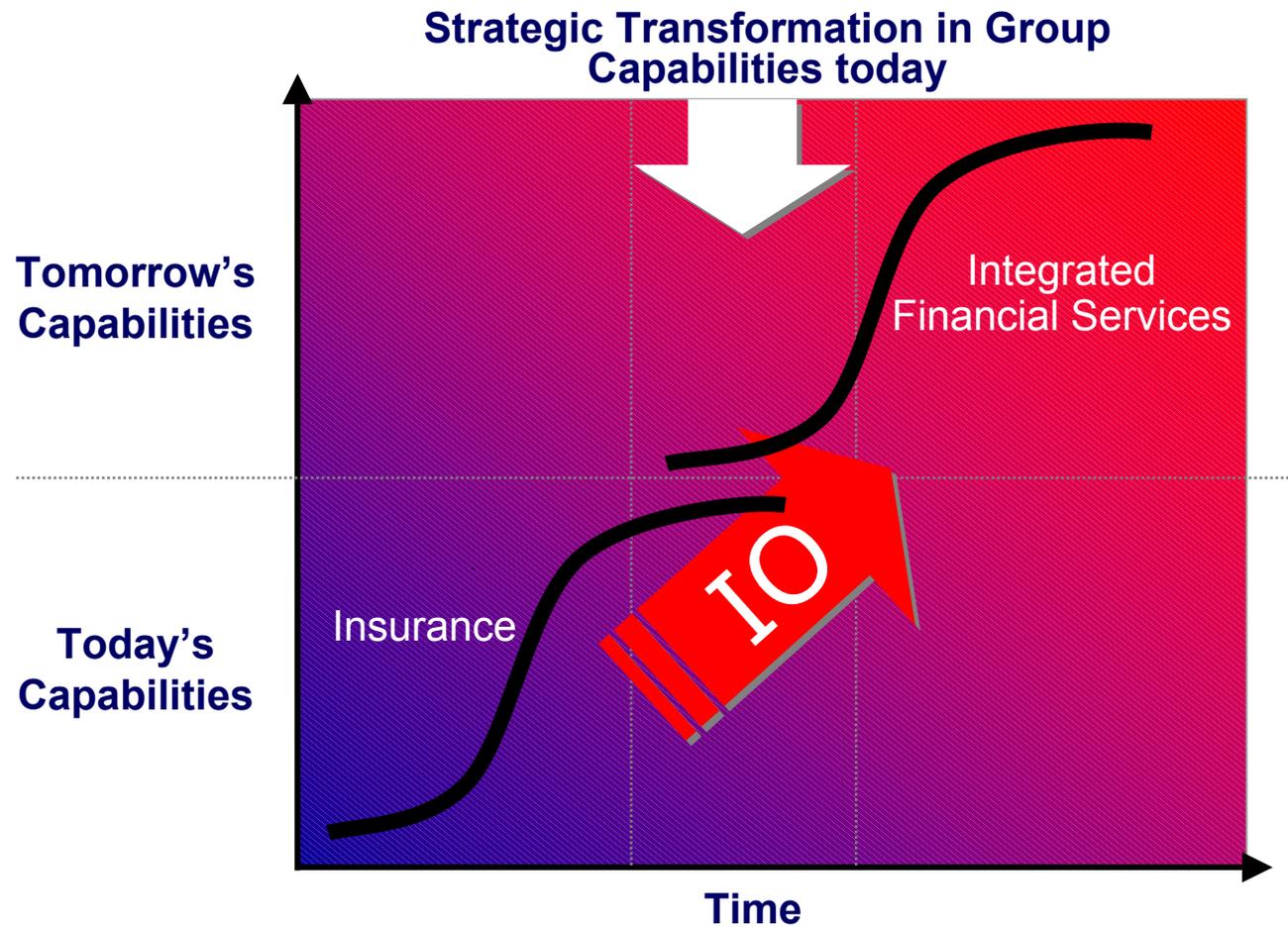


Blind and Confused

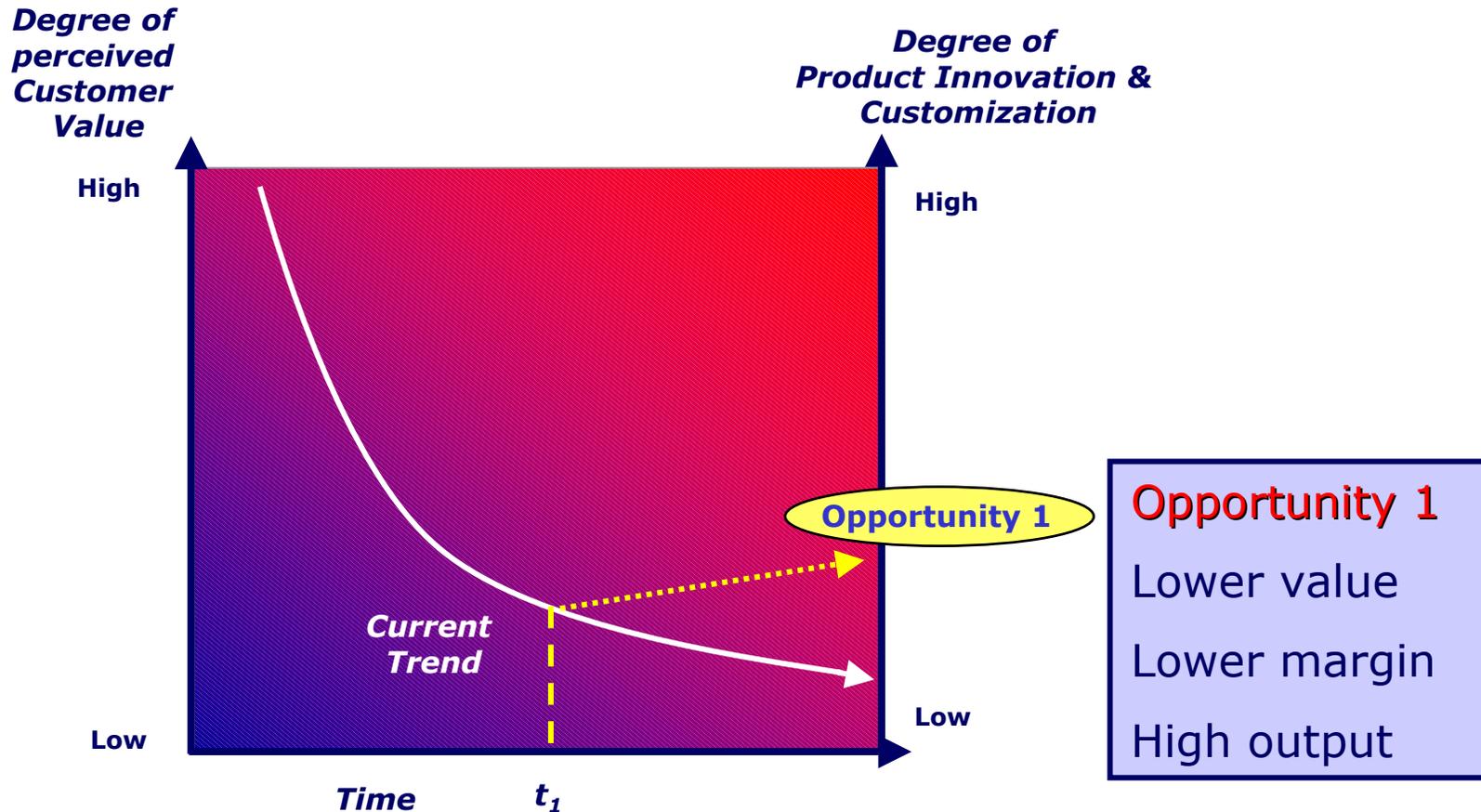


Info Oriented Laggard

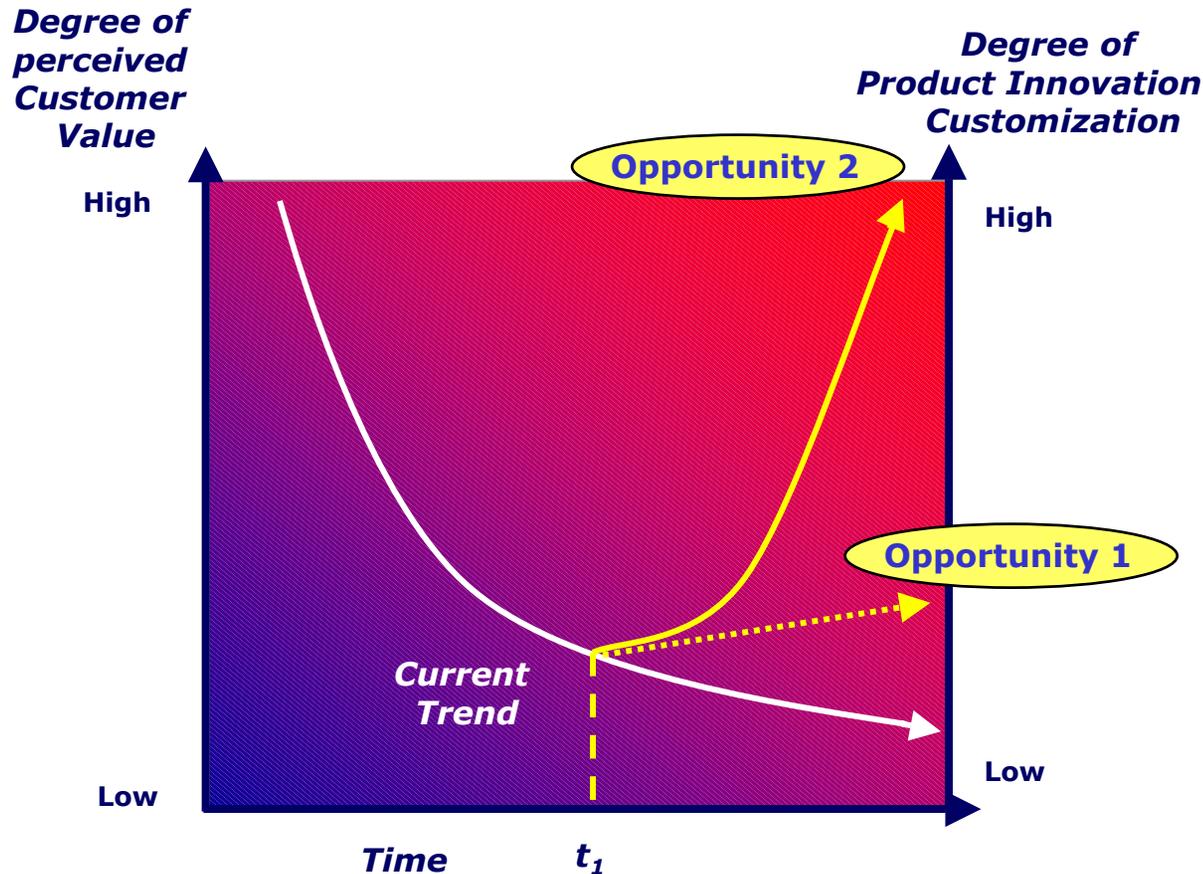
Finally, the Group Must Improve **IO** to enable its future business vision



Opportunities for Companies to Compete in this Business Environment



Opportunities for Companies to Compete in this Business Environment



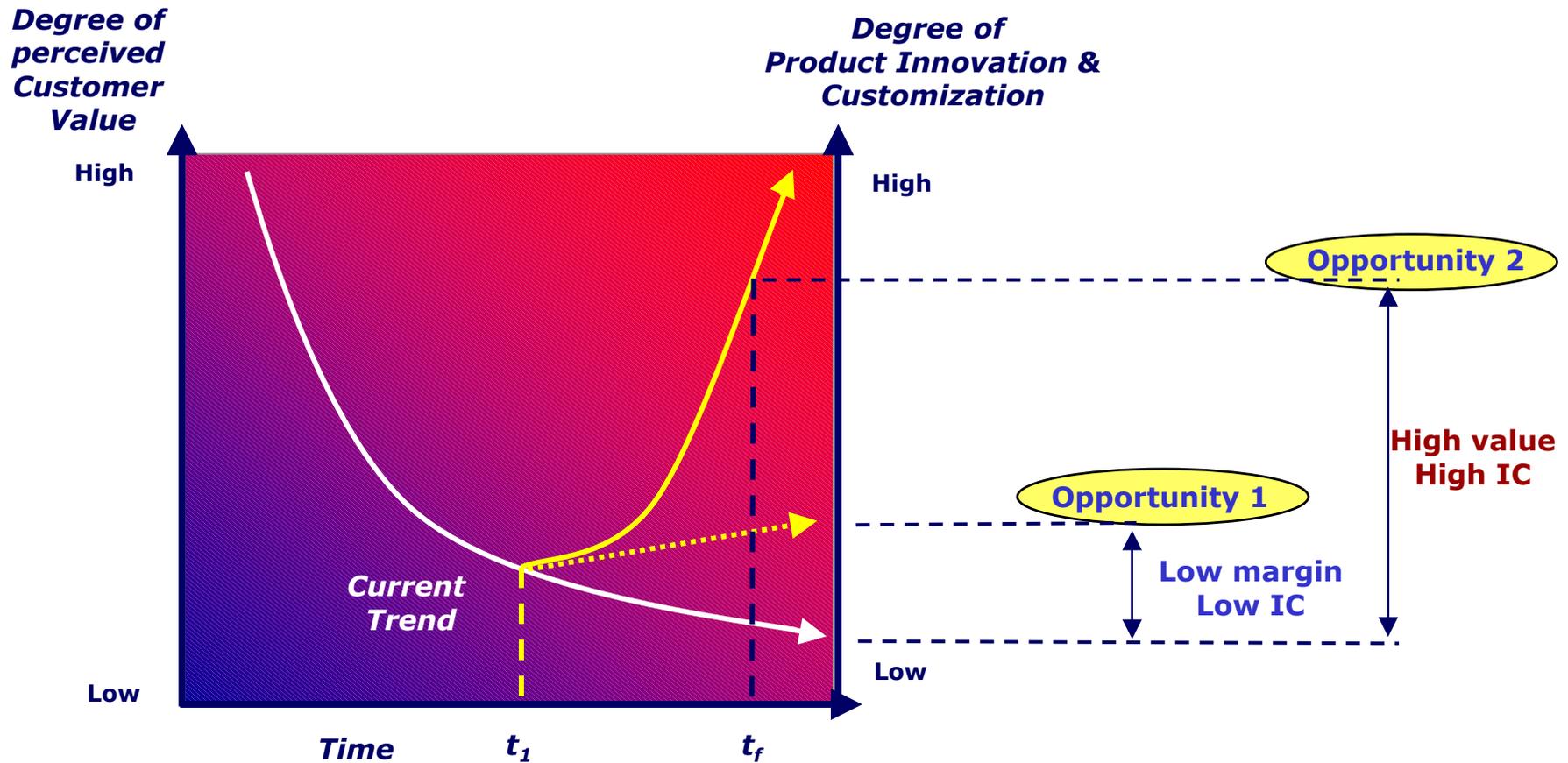
Opportunity 2

Higher value
Highly differentiated

Targeting:
The Best Markets
The Best Products
The Best Customers

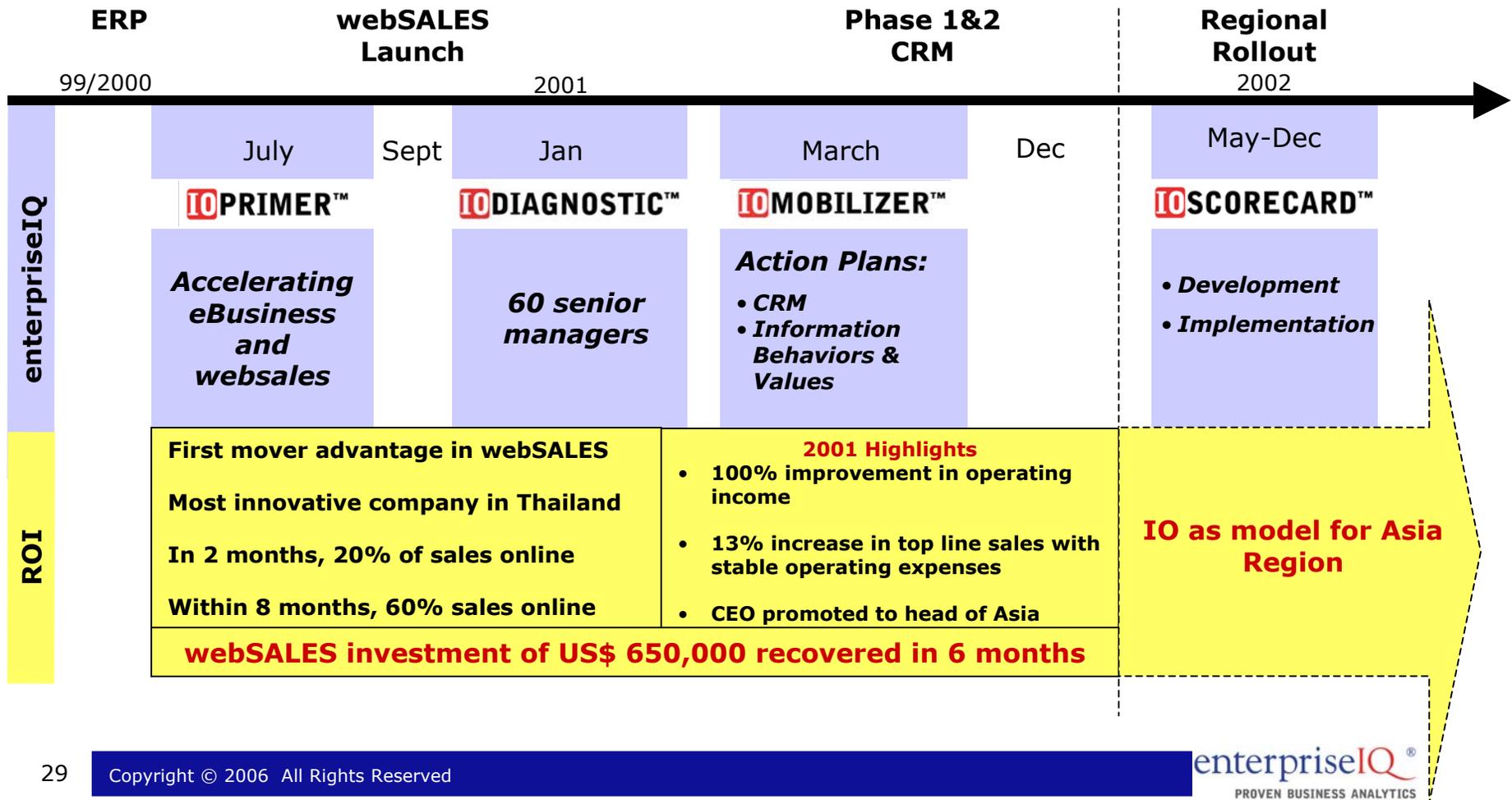
*With high quality
information and
knowledge use !*

Opportunities to Compete Depend on Leveraging Information Capabilities



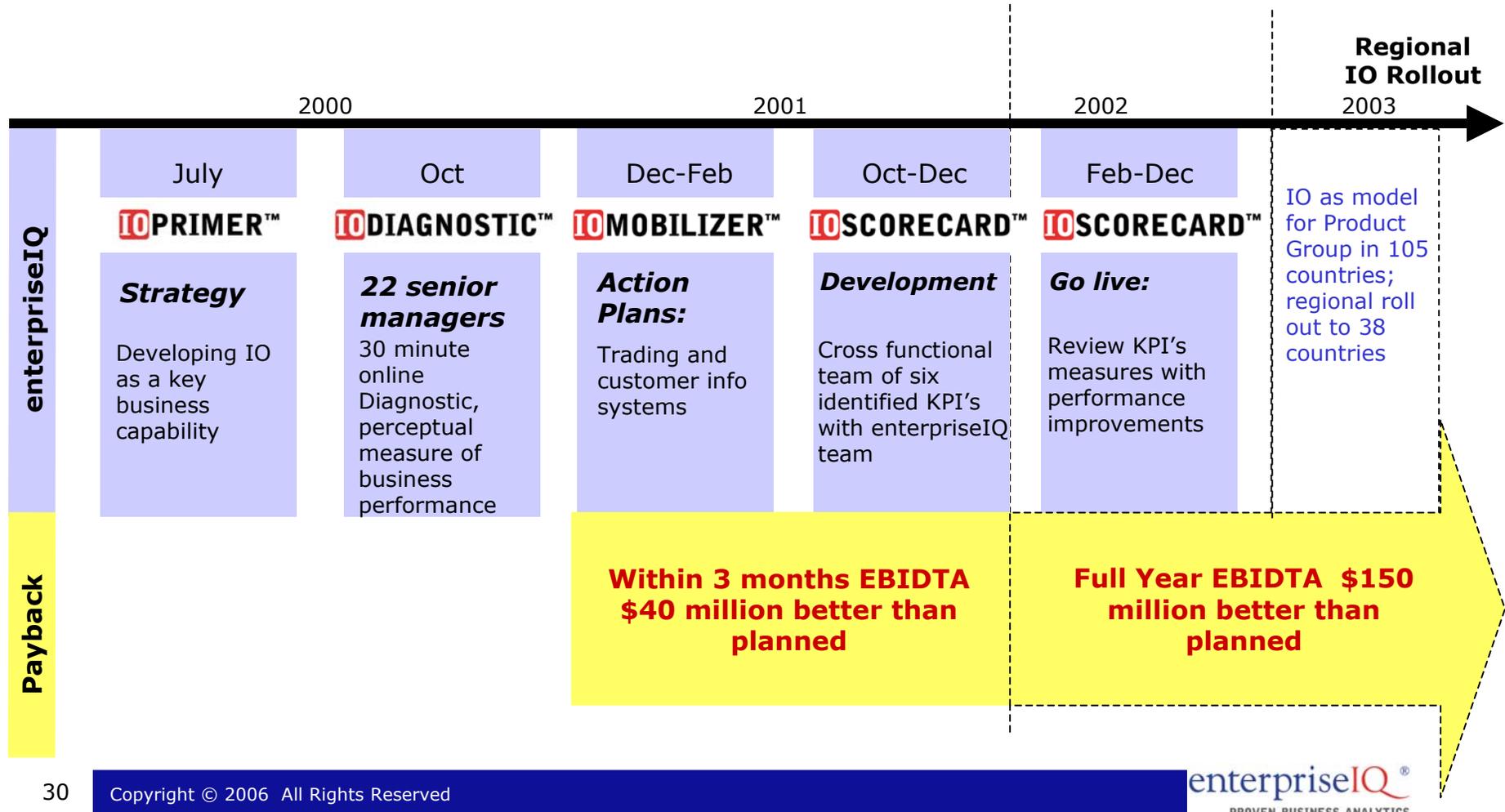
enterpriseIQ® Success Story 1

ASEAN Subsidiary - Global Industrial Products: Accelerating eBusiness & CRM



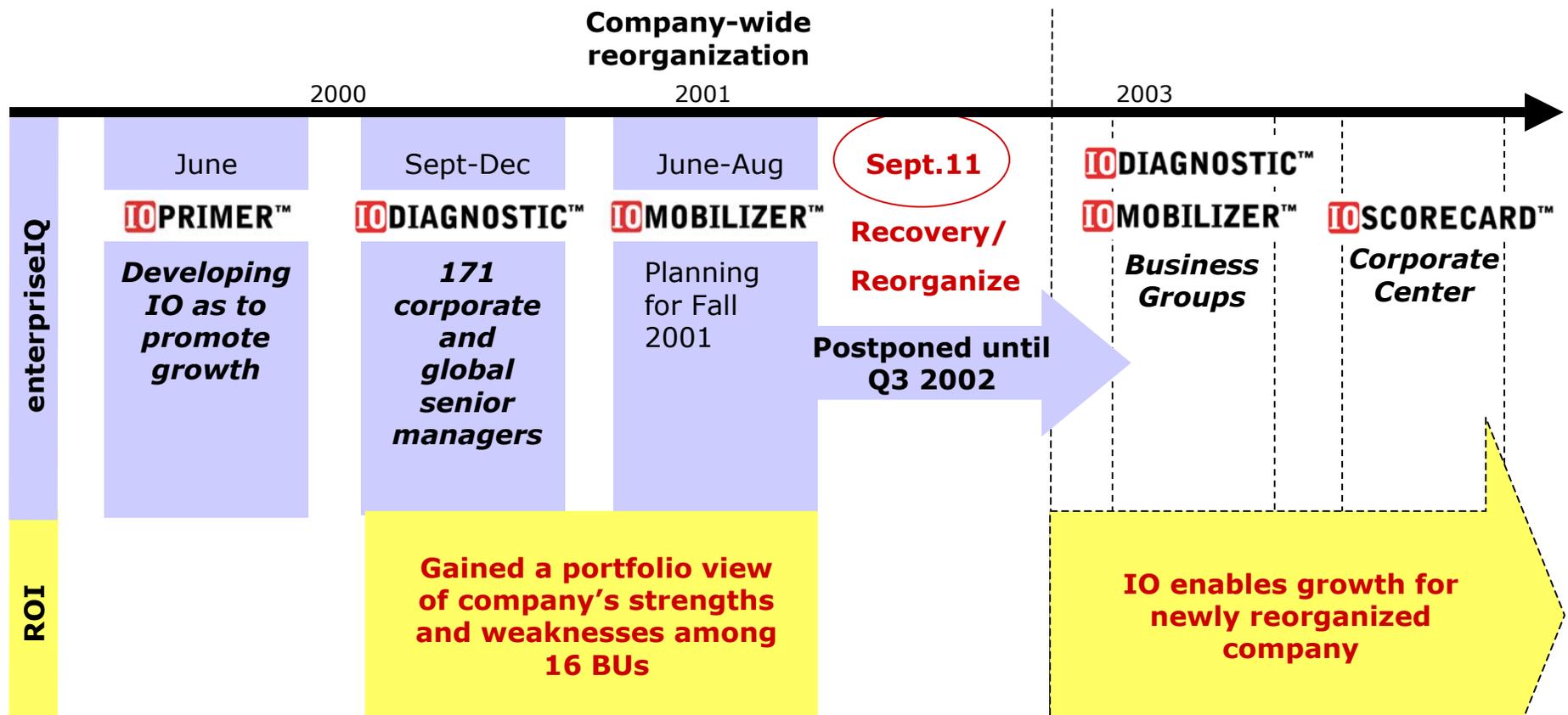
enterpriseIQ[®] Success Story 2

Product Group of Global Financial Services: Leveraging information in a deal-making business



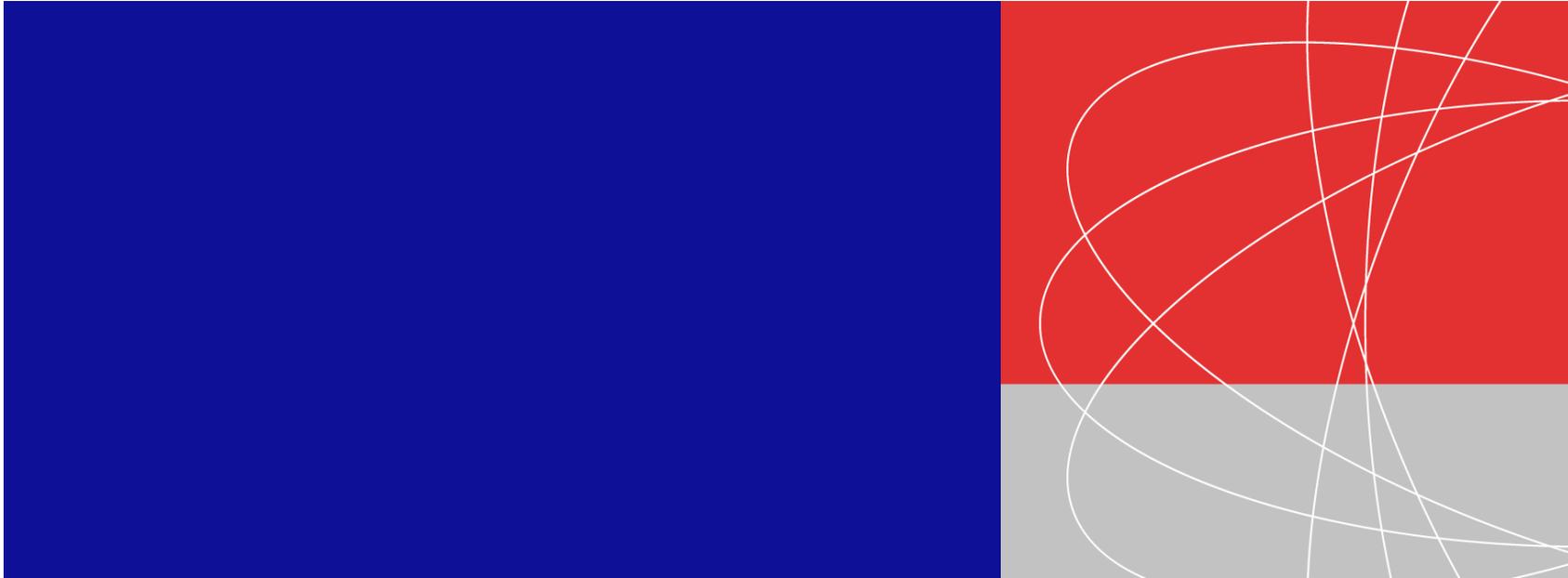
enterpriseIQ® Success Story 3

Global Insurance Company: Positioning itself for growth



Lessons Learned about Competing with Information

- The mindset and actions of the company's managers are critical to effective information use and to achieving business results with information, people and IT capabilities
- Building the Company's Information Capabilities is as much about people behaviors and information practices as it is about IT –management control plays a critical role!
- Leveraging information and knowledge for bottom-line impact is no longer « soft » or « intangible »: We can see, measure and leverage these assets by managing the Information Orientation of our company.



**To find out more about how we can help you to leverage
information and knowledge in your organization, please contact us**

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PROVEN BUSINESS ANALYTICS

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