

Business-driven IT Strategy in Multi-Business and Multi-National Companies

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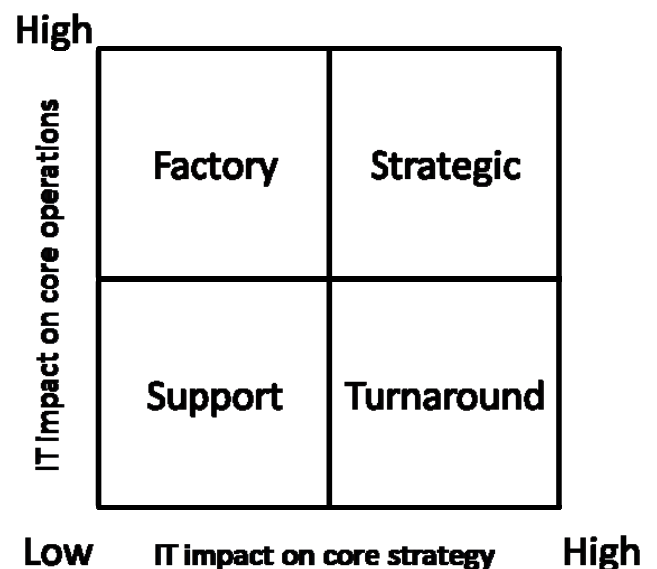
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ABSTRACT: The complexity of IT strategy preparation grows when the company has more than one business and more than one operational country. This situation is common among big construction companies. This paper divides the strategy process into three parts (the Trend Work, the IT Mapping and the Strategy Work) and the entity of IT strategies to four parts (IT Utilisation strategies, the Corporate IT Strategy, IT Service Strategies and IT Principles) to ease the preparation. The approach is based on the development of relationships between business and IT and it concludes other modern IT strategy preparation systems. This paper contains also experiences about preparation of IT strategies earned in YIT Corporation in 2001-2008. **Keywords:** IT Strategy, IT Utilisation Strategy, Business-IT Relationship, Business IT, IT Infrastructure, Trend Work.

1 STRATEGY DEFINITION METHODS IN LITERATURE

1.1 *First methods defined information system development strategies*

The first methods to define strategy were targeted to define information systems. The Business System Planning (BSP) (Zachman 1982) and its derivate, the Information Engineering with CASE tool were methods of that kind (Martin 1989). They were used mainly during to prepare information system development strategies (Tiirikainen 2008) and BSP was also capable for IT organisation planning.



The early methods did not handle the future of the enterprise. Maybe the first framework managing information system development during a long period was the method of Nolan (Nolan 1979). The approach of this method was the development of enterprise in the utilisation of IT from a novice to the maturity via six phases. From the strategic point-of-view, the method of Nolan is quite light and old-fashioned nowadays since the strategic planning was handled only on the sixth phase (Tiirikainen 2008). Warren McFarlan found that the IT played a different role in different enterprises and defined a matrix to ease positioning (Appelgate et al. 2003). It is still useful, especially in discussions concerning the position of IT in business between IT management and top management.

The IT role positioning of McFarlan is not the only one. IT can be handled as “Technical Resource, Business Enabler or Strategic Weapon” (Weiss et al. 2006) or the expected role of IT organisation can be either “Grinder, Butler, Team Player or Entrepreneur” (Mahoney 2007).

Figure 1. The matrix of McFarlan (Appelgate et al. 2003)

1.2 Towards integrated strategies

The need for a method which could set the long term priorities and development programme for information management was urgent during the seventies. Therefore the Ministry of Finance of Finland and Helsinki School of Economics founded the development of method to fill this need. The first prototype published 1979 and the first handbook in 1983 (Sääksjärvi 1983). This METO method was a complete study concerning information management. The utilisation of METO was project-based effort.

The METO is still useful for the mapping of the situation of IT especially when the service levels and the functionalities of information systems are unknown. However, the METO did not integrate the management board and its business strategy alternatives to the mapping. Therefore the METO didn't lead to IT-enabled business strategies (Tiirikainen 2008). The newest (third) version of METO (Sääksjärvi 1990) contains two important observations: the need for “integrated strategies” and the

separation of corporate level from business level in information management like corporate strategy is separated from division (or unit) level business strategies.

Figure 2. The position of IT strategy on the same level than business strategy (Henderson et al. 1994)

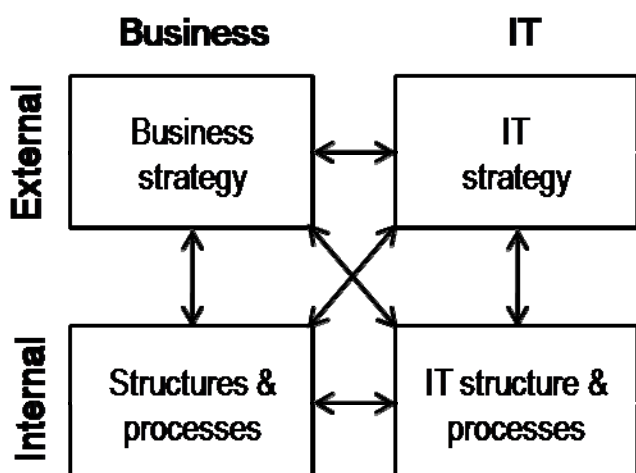
One part of METO 3 method concerns the strategic planning of information systems is based on the information system strategy of John Henderson and John Sifons (Henderson et al. 1988). They highlighted an observation concerning the position of IT in business strategy. According to them, it is problematic if the IT strategy is derived from the business strategy. As a solution to that John Henderson rose IT strategy on the same level of business strategy (Henderson et al. 1994).

1.3 Other methods

Thomas Davenport, Michael Hammer and Tauno Metsisto (Davenport et al. 1989) studied among 50 enterprises to find IT principles which benefitted the enterprise. The main goal was to find areas where top management could influence on information systems. They found four important areas: hardware and networks, applications, information and organisation. That is probably the first foundation of IT principles.

David Feeny and Leslie Willcocks (Feeny & Willcocks 1998) studied core IT utilisation capabilities as a part of development of internal IT organisation of enterprises. They found that capabilities needed to prepare an integrated vision for business and IT, deliver right IT services and create suitable IT architecture. The core capabilities – nine in all – are still useful in the development of IT organisation.

The process-based thinking (Davenport et al. 1990), the reengineering (Hammer 1990) and the balanced scorecard (Kaplan & Norton 1992) are the basic cornerstones which support the modern business-driven IT strategy work. Especially the balanced scorecard based “360° thinking” is very useful since it forces people to take not only the development of information systems but also other important IT issues into consideration.



1.4 Observations

The methods presented in literature seem to handle rather the content of the IT strategy than the structure or the preparation order of the IT strategy which are the main approaches of this paper. Furthermore, the literature handles the IT strategy of one business, not the IT strategy entity of enterprise with several businesses in several countries which is the approach of this paper.

2 RELATIONSHIP BETWEEN BUSINESS & IT

The definition of the relationship between business and information technology (IT) looks sometimes like a love-hate relationship. The business is enterprises most important way to earn capital and profit. The information technology is needed to support this way directly or indirectly by boosting business and supporting processes. If we forget companies providing IT solutions and services, IT is none primary need for any enterprise. On the other hand, there are enterprises based so strongly on IT that business strategy and IT strategy are same issue.

2.1 Classic relationship

By using information technology and business information efficiently it is possible to change business processes and business logics significantly. In this case the operation of the enterprise is enhanced substantially. The result can be lower prices and better quality same time. This possibility is different for different kind of enterprises. IT is a strategic tool for some enterprises and tactical or operative for others. The role of the IT can be:

- IT costs reducing
- reducing operative costs of businesses
- maximising incomes and profits of businesses
- enabling business.

Business regards with management of IT issues via two alternative ways. Some enterprises encourage business and IT management to the seamless collaboration while other enterprises encourage business to delegate IT issues to IT management. There is of course a correlation between these ways and IT roles. The business profit maximising is not possible without strong collaboration between business and IT. On the other hand, the centralisation of IT cumulates competence which enhances possibilities to reduce operative costs of business. The classic relationship between business and IT is shown in figure 3.

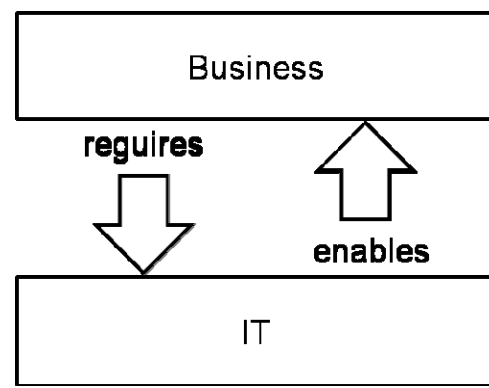


Figure 3. The classic relationship between business and IT.

2.2 $IT = Business\ IS + IT\ infrastructure$

IT in figure 3 can be divided to two parts. The one part (information systems) supports business mainly directly and the another (IT infrastructure) indirectly. By the division the figure is changing. Now business puts demand on information systems. Furthermore, information systems put demands for the IT infrastructure. The IT infrastructure enables some issues on the level of information systems and information systems enable business. The new relationship between business and IT is shown in figure 4.

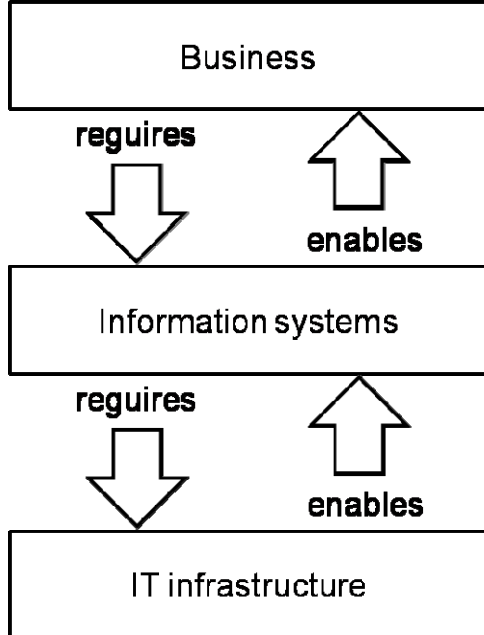
The border between information systems and IT infrastructure is not clear. There is some kind of grey area between them and e.g. e-mail systems, groupware and enterprise application integration tools lie in it. Although there is the level of information systems between business and IT infrastructure, there is a secondary demands/enables relationship between them.

Figure 4. The relationship where IT is divided to information systems and IT infrastructure.

2.3 Features of multi-business company

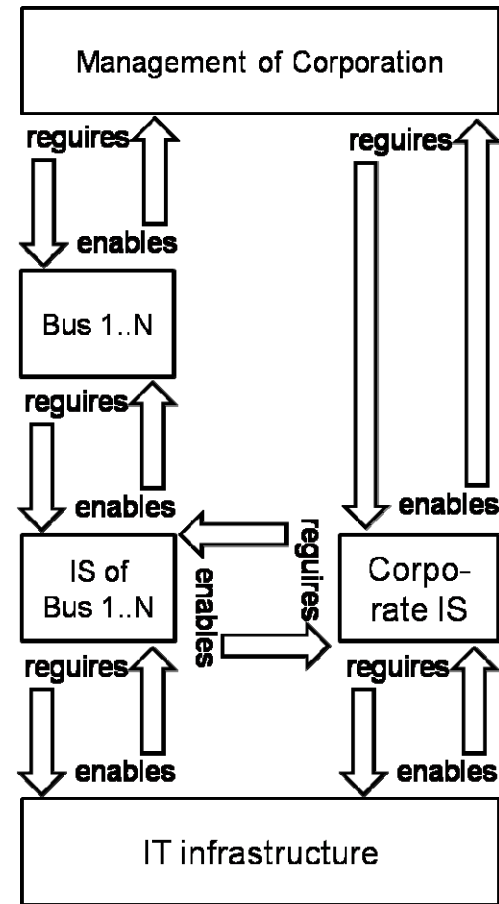
Different enterprises have different approaches in IT utilisation. An approach is result of strategy and/or environment of the enterprise. Some enterprises (or their IT departments) try to adapt the newest possible solutions while some enterprises try implement rapidly ready solutions while others buy the mature solutions only.

If the enterprise has several businesses but one IT management, the relationship between business and IT more complicated. This is a common situation in multi-business enterprises since it seems that IT is one of the first centralised functions. Common IT infrastructure



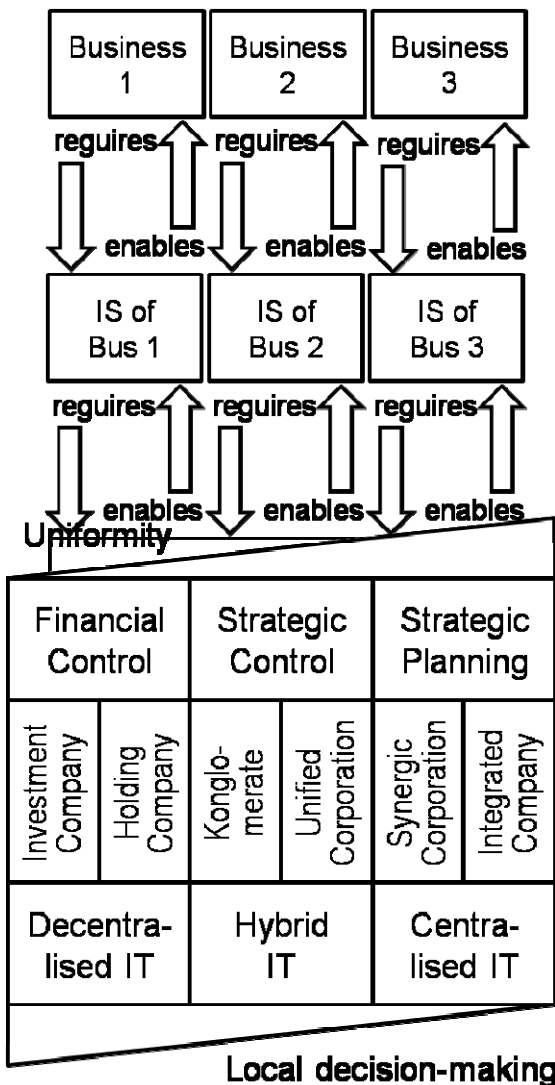
The requirements of information systems and IT infrastructure are not same. Information systems shall serve business processes in the changing business environment. Business support, serviceability and cost efficiency are good features of information systems. In the case we compare IT infrastructures of different enterprises, their information systems differ more than infrastructures. Therefore there are cost efficiency, security and scalability requirements against IT infrastructure. According to that, it is reasonable that especially multi-business enterprises try to consolidate and standardise and even outsource IT infrastructure.

Figure 5. Multi-business enterprises try to gain one unified IT



infrastructure.

Figure 6. Different strategies (adapted from Goold & Campbell 1987, Tiirikainen via Jahkonen 2008 and Myllymäki 2008). The uniformity grows towards right. The local decision power grows towards left



The subsidiaries of the enterprise can be either wholly or partly owned. On the other hand, the multi-business enterprises can be unified or scattered. The more unified the enterprise like to be the more common resources businesses have and the more common information systems (e.g. ERP, CRM) businesses have. Via internal development and integration enterprises try to be more and more unified. But via every merger or acquisition they take steps backward.

2.4 Corporate information systems

The group of information systems which are common between businesses is called to corporate information systems. The systems supporting only top management or corporate services belong to corporate information systems, too. In an ideal situation, the enterprise tries to find common processes from businesses as well as parts supporting these common processes from information systems. These parts should be implemented in corporate information systems. So, the businesses' information systems and corporate information systems have the classic demand-enable relationship shown in figure 7.

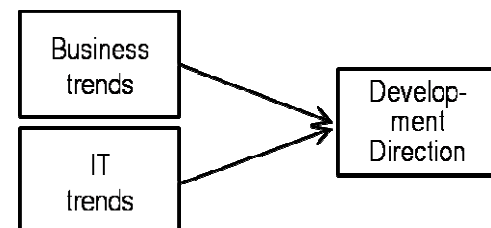
The situation is not so idealistic in the practise. The top management is the supervisor of business divisions' managers and top management has information needs to be filled by corporate information systems. This will create a new dimension and change the relationship of business and IT even more complex. This complexity is shown in the figure 7.

Figure 7. If an enterprise with several different businesses like to create synergies by common information systems, it has several dimensions within its' demand-enable relationships.

2.5 Multi-national company aspect

The field is more complex if the enterprise operates in several countries. There is several kind of international operations within enterprises. Some enterprises have centralised head quarter and factory while sales and services are decentralised to countries where the enterprise operates. Some enterprises have decentralised factories, sales and services to countries and the head quarter is located in the "home country". The latter enterprises are rather multi-national than international enterprises. A multi-national enterprise is often a result of several mergers and acquisitions.

Example: *YIT Corporation was a strong construction, building automation and industrial service company operated mainly in Finland but also in Russia and Baltic countries in the beginning of 21th century. During the year 2002 YIT bought a Finnish network installation and service company from a local network operator and during the year 2003 YIT bought a building automation and facility management service business in eight countries from ABB. In the year 2004 YIT Corporation has four business divisions. The Construction Services operated in Finland, Baltic countries and Russia, the Building Systems operated in Finland, Sweden, Norway, Denmark, Baltics and Russia, the Network Services and the Industrial Services in Finland only.*



As the example shows, the presence of business divisions of a multi-national company varies from country to country. In addition to corporate and business information systems there are also national information systems due to history of the company and local legislation. These systems belong to group called to National Information systems.

Although enterprises try to standardise and consolidate IT infrastructure to a unified platform (Corporate IT), it is quite common that there is country specific tools, solutions and technologies as well as national services due to languages of end users. I call the country specific part of IT infrastructure to National IT. National IS and National IT form an additional dimension to the relationship between business and IT is needed and it is geographical dimension.

If an enterprise has more than one business and more than one country where it is operating and there is common information systems between busi-

nesses, the relationship between business and IT is quite complex.

3 IT STRATEGY PROCESS

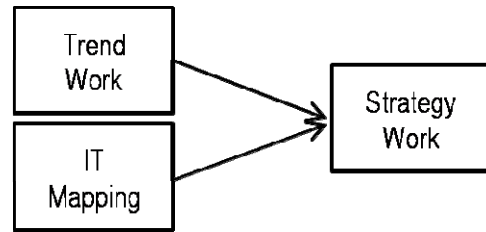


Figure 8. The trend work and the IT mapping catalyses the strategy work

3.1 *Trend work*

Although the main task of IT is to enable business, support business process and give competitive advantages to business, the business strategies should not be the only requirement source for IT strategy. Even setting development targets for IT infrastructure requires information about development trends of IT. On the other hand, the more strategic role IT plays to business the more probable IT strategy needs information about the development of business information systems. Therefore the trend work is needed in order to define the development direction of the enterprise.

Figure 9. Business trends and IT trends will be covered to the development direction by the trend work.

The aim of the trend work is to collect appropriate trend material for the IT strategy work. In order to create a good picture of business development directions to IT management, it is reasonable to collect material about business trends, transfer the material from “IT jargon” to “business language” and give the material to appropriate businesses, too. However, this is not any common work for IT management. More natural for it is collect material of IT trends. Good trend material is easy to collect from research institutes, seminars, newspapers and magazines and even from the Internet. The essential part of the trend work is separate mature and serviceable solutions from hype. The more significant material is found the better.

Business and IT trends are collected to IT Directions. This document is useful not only in preparation of business-specific IT Utilisation Strategies and Corporate IT Strategy but also in preparation of IT Policies and Guidelines. The IT Direction is worthwhile to be kept up-to-date annually dependentless of IT strategy work.

3.2 IT Mapping

Quite often the IT strategy effort is started just after:

- the change of CEO (Chief Executive Officer), CFO (Chief Finance Officer) or CIO (Chief Information Officer)
- the change of enterprise structure due to e.g. merger or divestment
- the change of business environment (e.g. boom or recession).

Since the situation is unclear for key decision-makers, it is reasonable to map it. The mapping consists of interviews of key decision-makers like CEO, CFO and CIO as well as the management of business divisions.

There are several methods to clarify the situation of the IT. Some of them are included to strategy methods like METO, some are independent methods. A quite well known method – SteerIT® – uses interviews, checklists and workshops to clarify the situation and the most important development areas. This kind of mapping is not needed every time but it makes easy to start the proper strategy work.

3.3 Strategy Work

While the IT mapping is needed only in special cases, the trend work and the strategy work have different “year clock”. When the period of IT strategies is often 3...5 years (with the midway or annual check) according to the corresponding business strategies, the trend work is a part of annual work. The trend work produces material for the strategy work.

3.3.1 One IT Strategy or an Entity of IT Strategies?

Although both business and IT have a natural need for collaboration, there is surely “IT free areas” in the business. Correspondingly, the IT managers feel that e.g. IT infrastructure is their own sandbox. More dangerous than play in others’ sandbox is forget own important and essential areas during the strategy work.

One IT strategy is enough for small or middle-size enterprise. But when the number of businesses or the number of operational countries grow, one IT strategy model become too inflexible. Basically, two businesses mean three viewpoints: business 1, business 2 and common issues. The entity of IT strategies is appropriate when enterprise has several businesses or countries or there is often mergers (or divestments) or market change continuously.

The entity of IT strategies can be divided to three parts:

- business IT strategies
- strategies of IT management
- common IT strategies (Corporate IT Strategy).

It is easy to understand, that the entity of IT strategies looks like an elephant. Since the only way

to eat an elephant is to divide it to parts, the entity of IT strategies should be divided to parts, too. After that it is recommended to start from a part which is important and actual for the enterprise. The following parts can be prepared after it.

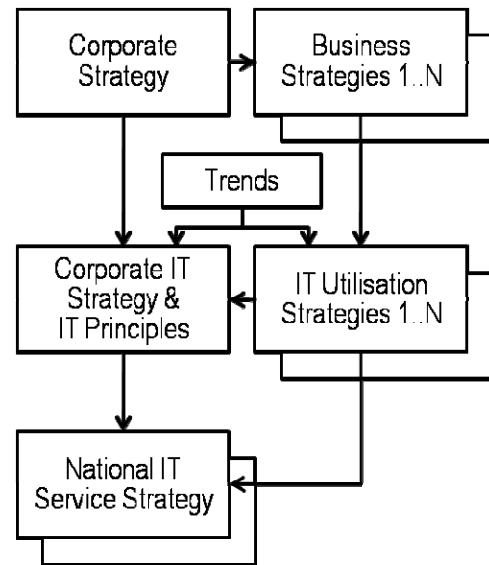


Figure 10. The entity of IT strategies for an enterprise with three business division. Every business division operates in every three country.

The documents and preparing order of IT strategies of an enterprise which has three business divisions and every of them operates in all three countries. The enterprise is quite unified but IT infrastructure and IT services are divided mainly to countries. The preparation of Business Strategies for business divisions and corporate services is the first phase. In this phase the most important reference is the Corporate Strategy. After that, every business division and corporate services prepares an own IT Utilisation Strategy. The Business Strategy and trends are important references. The third phase is Corporate IT Strategy which will be prepare by using Corporate Strategy, IT Utilisation Strategies and trends as references. During the fourth phase IT organisation of every country prepares National IT Service Strategy by using ITU Strategies of existing business divisions and Corporate IT Strategy and IT policies and guidelines as references.

3.3.2 Business IT Strategies

IT benefits a business by enabling the business, supporting it or by giving competitive edge to the business. Therefore the business divisions and units should focus on the utilisation of IT in their business and on the planning of the utilisation. This kind of strategy is called to IT Utilisation Strategy (or ITU Strategy) (Myllymäki 2006). IT Utilisation Strategy focuses on the solutions enhancing collaboration between the business and external customers, the solutions of new businesses, the development of the business information systems (Business IS), em-

ployees' ability to utilise information systems and IT and the development of the collaboration between business and the IT management.

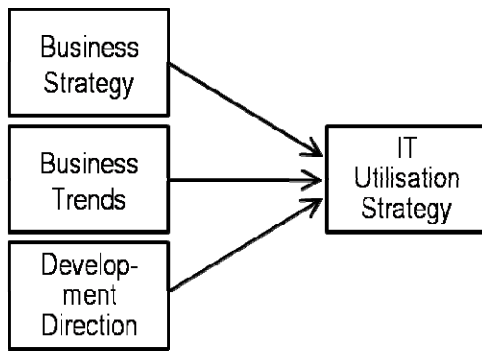


Figure 11. The IT utilisation strategy is based on the business strategy, the business trends and the development direction.

A recommended table of content for IT Utilisation Strategy:

1. the business division/unit level business strategy, structure and processes
2. the core business requirements derived from Corporate Strategy and own business
3. the existing situation and the identified development areas of own business information systems (Business IS)
4. the trends influencing on own business and its information systems
5. the target situation of the IT utilisation at the end of the strategy period
6. the ways to reach the target situation.

The reader maybe has noticed that the IT Utilisation Strategy does not include any IT infrastructure things. This is a strategic issue: by opinions concerning IT infrastructure the business division or unit “declares the war” by starting the confrontation with the IT management. By focusing on own information systems and setting requirements for IT services the business division or unit avoids confrontation and enables collaboration. The preparation of IT Utilisation Strategy is the work of business organisation, not IT organisation.

3.3.3 Corporate IT Strategy

The most important common targets derived from business strategies shall be included to Corporate IT Strategy. The references of Corporate IT Strategy are Corporate Strategy, businesses' IT Utilisation Strategies and IT Development Directions. The requirements derived from business strategies guide corporate IT development and the trends from IT Development Directions guide the selection of information technologies (IT Architecture). The Corporate IT Strategy should enable implementation of business strategies by solutions which are not in conflict with the development of technologies.

It is possible that when during the mapping of enterprises and businesses' requirements it is considered that not only IT Strategies but also IT Management Model and the organisation of IT shall be changed. If that kind of need is the management model of IT should be changed before the preparation of the Corporate IT Strategy.

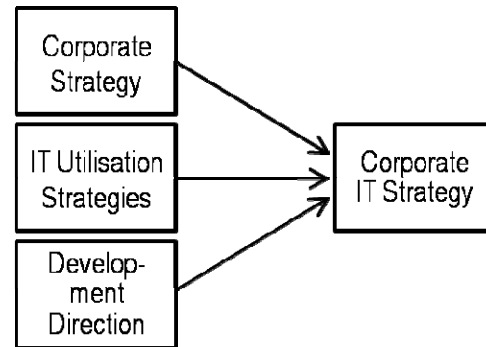


Figure 12. The Corporate IT Strategy is based on the Corporate Strategy, the IT Utilisation Strategies and the Development Direction.

A well prepared corporate IT strategy is immune against small changes in top management, business management, IT management and IT services. If the strategy period is long (3..5 years) the strategy should be checked and adjusted during the strategy period, at least at the midway.

3.3.4 The strategies of IT management

When the piece of ITU Strategies as well as the piece of Corporate IT Strategy has been eaten from the “IT Strategy Cake” what is left? A quite massive piece. It includes IT services and corresponding ICT selections. The most important “own” strategy of IT management is the IT Service Strategy. In order to prepare the IT Service Strategy the ITU Strategies should be summarised and businesses' IT requirements should be collected. They are the requirements for the IT services.

In multi-business and especially in multi-national companies IT management is not any sole unit. There could be several country-specific IT service units. If there is essential differences between business divisions or top management like to keep business divisions far away each other (an investment company or a holding company), the business-specific IT service units are needed, too. In that situation the significance of unit-level IT service strategy is underlined. A recommended table of content for IT Service Strategy:

1. Strategy Alternatives and the Selected Strategy
2. The core issues and the main guidelines of the selected strategy (in following areas)
 - a. Customers and their needs
 - b. The fulfilment of services
 - c. The critical success factories

- d. The responsibility areas and their competency requirements
- e. The focus areas of the core processes
3. The Strategy
 - a. The requirements derived from businesses
 - b. The Vision, the Mission and the strategic goals
 - c. The roles required by the strategy
4. The Implementation Plan

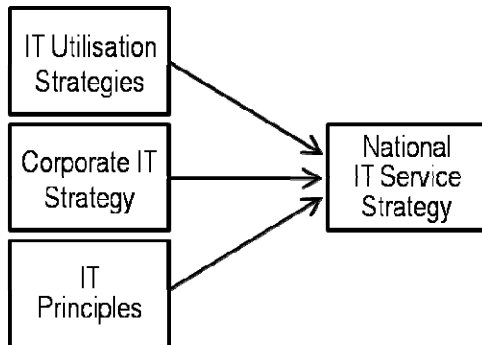


Figure 13. The IT Service Strategy is based on businesses' (customers') IT Utilisation Strategies, Corporate IT Strategy and Corporate IT Principles.

It is important to avoid strategies' overlaps but even more important is to avoid their contradictions! The different strategies should operate independently and therefore every strategy is allowed to contain parts belonging to other strategies. The IT Service Strategy is more practical than the other strategies and therefore it shall include clear goals for the organisation and the implementation of IT services. Therefore the IT Management Model as well as Corporation-wide IT organisation should be up-to-date before the preparation of the IT Service Strategy (Myllymäki 2008).

The technological selections needed to implement the IT Service Strategy can be included to that strategy or a separate ICT Strategy. In the case the Corporate IT Guidelines and Policies fulfil that need, a separate ICT Strategy is not needed. In the case the IT Service Strategy is not great and does not contain any strategic selections, it could be called to an IT Service Plan.

3.3.5 The IT Principles

It is not reasonable to include everything to IT strategies. Although these strategies contain a lot of important policies, it is a good idea to collect them to the IT Principles. That document is an appendix of Corporate IT Strategy. A recommended but minimised table of content for the IT Principles:

1. The IT Governance
2. The Corporate Information Systems
3. The Business Information Systems
4. The IT Infrastructure
5. The IT Competence

6. The IT Services
7. The IT Security

In smaller environments the IT Governance, IT Competency and IT Services can be summarised. Correspondingly the Corporate Information Systems and the Business Information Systems can be summarised and if the IT Security does not belong to the responsibility area of the IT Management, it does not belong to the IT Principles. Every guideline of IT Principles can be divided to IT policies. On the level of guideline the issues are handled in high level and detailed and more practical handling is included to policies. The relationship between a guideline and its policies is like the relationship between a lex and its statutes. IT Policies could be specified by instructions, templates and check-lists. The life span of IT Principles is often longer than the life span of the Corporate IT Strategy. However, IT Principles' maintenance is a continuous work.

4 THE ACCEPTANCE PROCEDURE

A responsibility matrix is an essential part of IT Management Model. It defines who is responsible to prepare and who is responsible to accept different documents and proposals. In the case IT strategies the responsibilities could be the following:

1. IT Management Model: CIO (or his/her supervisor) prepares and CEO (or corporate management board) accepts
2. Corporate IT Strategy: CIO prepares and CEO (or corporate management board) accepts
3. ITU Strategy: CIO gives the template and trends, development manager of business division prepares and manager of business division (or management board of business division) accepts
4. IT Service Strategy: CIO gives the model and reference data, IT Service Manager (or IT Manager) prepares and CIO accepts.
5. IT Guidelines (of IT Principles): CIO prepares and CEO (or corporate management board) accepts.
6. IT Policies and instructions (of IT Principles): the actual specialist prepares and CIO accepts.

In the enterprises where management board does not make any decisions, the decision-maker is of course chairman of it, usually CEO or manager of business division. The Corporate Management Board may have delegated IT issues to a separate IT Board in big enterprises. In that case the IT Board plays the role of Corporate Management Board. The chairman of IT Board is rather the supervisor of CIO than CIO itself and the supervisor of CIO is usually CFO or Executive Vice President.

5 THE IMPLEMENTATION OF IT STRATEGIES

Strategies have been prepared and even accepted but they have not been implemented. At least partially this situation is an outcome of the heaviness of the strategy preparation process. A ready strategy is so big achievement that process will be disconnected. Therefore it is important to prepare the IT strategy entity step-by-step and implement each part immediately after it is ready.

The cornerstones of strategy implementation are planning, change management and control. The barriers between the existing and the target situation need to be identified and their elimination by change management should be planned. Projects and smaller efforts needed in change management shall be planned and implemented as a part of annual operation plan. The backbone is control and it is a part of work of IT Board. Corporate management, business management and IT management must be represented in IT Board. If there is any IT Board, the control shall be made in Corporate Management Board.

6 CASE: YIT

6.1 Background

YIT Corporation incorporated IT management and services during the year 2000. The new company (YIT Information Technology Ltd) started at the beginning of September 2000. In 2001 and 2002 YIT Information Technology Ltd prepared an IT Service Strategy and ICT Strategy. The latter consist of the most important technological principles needed to support IT Service Strategy. YIT Corporation bought a domestic network installation and maintenance company in 2002 and building automation business in eight countries during in 2003. These acquisitions changed YIT Corporation significantly. Since YIT Corporation did not have any own IT management, YIT Information Technology Ltd started the preparation process of Corporate IT Strategy late 2003.

At the beginning of the year 2004, the strategy work got a steering group. On a very early phase the steering group noticed that IT Management Model was needed before Corporate IT Strategy. The IT Management Model was prepared during the year 2004 and came to power at the beginning of the year 2005. The business division based IT Utilisation strategies (four in all) were prepared during the winter 2004-2005 and the Corporate IT Strategy was accepted late 2005. The IT Service Strategy of YIT Information Technology Ltd (operated only in Finland, over 100 employees) was updated and three other IT Service Units (in Sweden, Norway and Denmark,

10-15 employees each) prepared their own IT Service Plan. IT Principles were made step-by-step during the years 2004-2007.

The top management of YIT Corporation was retired and the new CEO and Executive Vice President appointed at the beginning of June 2006. The Corporate IT Strategy checked (the midway checkpoint) late 2006 and the planning of the international harmonisation of IT infrastructure started. The harmonisation planning was a big success. After the planning late 2007 it was noticed that the harmonisation was not possible to be implemented without significant changes in the IT Management Model. The planning of new IT Management Model started immediately and the new model accepted March 2008 and implemented in the summer of 2008.

6.2 Experiences

The IT Service Strategy and ICT Strategies made during 2001-2002 for YIT Information Technology Ltd were successful efforts and reason for that was the direct need due to the incorporation of IT management and services. Strategies and their implementation were success stories. A practical result was that YIT Information Technology was chosen among the Great Places to Work in 2006. The enhanced serviceability enhanced customer satisfaction, too.

The initiativeness of YIT Information Technology Ltd led rapidly to the Corporate IT Strategy and IT Management Model which were suitable for YIT Corporation in the situation where it was during the years 2004-2006. The IT Management Model conflicted with the general management tradition of YIT Corporation. However, it was not any problem for the IT Board since other corporate services should move in the same direction later. When Corporate IT Strategy changed late 2006 and a common IT infrastructure was targeted, the IT Management Model needed to be changed.

Two of four business divisions made IT Utilisation Strategy according to the template, one made by using its own template and the fourth made a document called to IT Utilisation Strategy but the content concerned rather IT infrastructure than information systems. The business division which made IT Utilisation Strategy by its own template regretted it later: the common template was better. The business division which had IT infrastructure oriented IT Utilisation Strategy started a big ERP project and the project defined issues which should be a part of IT Utilisation Strategy. The IT Service Strategy was made in four countries but four other countries (Baltics and Russia) were so scattered that there was none common IT service and therefore the IT Service Strategy or Plan was skipped. Three of four strategies were well prepared and compatible each other but the fourth was rather an IT Strategy of an

independent company. However, the IT Service Strategies led the development in the right direction.

One of the seven IT Principles (IT Competence) was made during the preparation process of the Corporate IT Strategy and the structure of it was different than others. IT Principles covered the needs and more detailed policies and instructions were made later if needed.

Surprisingly, the involvement of business was not any problem. However, it was not easy to make enough abstract IT Policies. There were also problems with common terminology, especially on the international level. Since of that, the decision-making was problematic but a partial explanation for that is the fact that the supervisor of CIO was changed three times during the process.

7 ADAPTABILITY

The entity of IT strategies described earlier is needed only in the case the enterprise has several businesses and operative countries. In other cases the entity could be scaled down as shown in figure 14.

| | | Number of businesses | | | |
|---------------------|---------|----------------------|---------------------|-----------|-----------------|
| | | Several | | One | |
| | | Scattered | Unified | | |
| Number of countries | One | $a + n * b + c$ | $(a+c) + n * b$ | $(a+b+c)$ | |
| | Several | Unified | $(a+c) + n * b$ | | $(a+b) + n * c$ |
| | | Scattered | $a + n * b + n * c$ | | |

Figure 14. The entity can be downsized if the enterprise does not have several businesses or countries. In figure a = Corporate IT Strategy, b = business' IT Utilisation Strategy and c = national IT Service Strategy.

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