Chapter 12
Digital Business Strategies

ABSTRACT

This chapter discusses digital strategies that can be used in business contexts. The chapter begins by discussing different enterprise configurations that can be used with computerization. The chapter then provides an overview of enterprise IT services. Next, key indicators of sustainable performance for IT services are analyzed using the balanced score card perspective. The chapter then puts forth a four-part IT management planning model. Next, a strategic model is put forth for integrating business systems, applications, and infrastructure. The chapter then discusses how to align digital and business strategies, and it analyzes the structure of the digital aims and strategies of business. The chapter concludes by applying these concepts to examples.

INTRODUCTION

The purpose of this chapter is to develop an approach that aligns digital strategies with the business strategies of a company or enterprise. Different types of enterprise configuration models resulting from computerization will be shown below. Based to these models, strategies for IT services can be developed. In addition, the chapter will characterize the modern organization of these services as well as methods of strategic and tactical computer planning. The basic elements of such planning, including intentions, objectives, strategies, policies, etc., will be defined. A number of examples will be provided to demonstrate the essence of this approach.

ENTERPRISE COMPUTERIZATION CONFIGURATIONS

Regarding the IT configuration of an enterprise, the following types can be distinguished, which are supported to varying degrees depending on the larger configuration of the enterprise. The hybrid configuration presented below (Figure 14) is most fitting for the modern period (Targowski, 2003).

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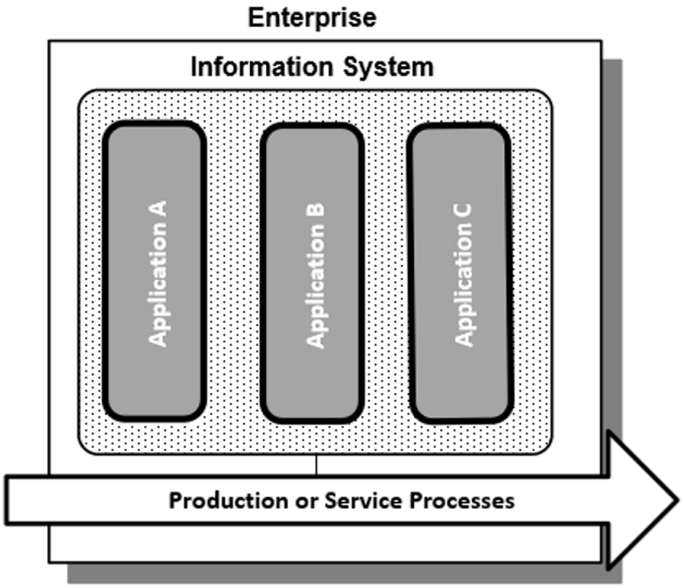
- An **offline enterprise** is a system where IT applications are unintegrated data processing routines. These routines support individual workplaces that are unconnected with one another, and data is usually entered periodically. Such enterprises are usually individual shops, craft workshops, etc. (i.e., those run by families) (Figure 1).

Figure 1. Offline enterprise model with application islands (darkened fields are key systems)



- **Online enterprise information systems** are networks of data and results that are managed in real time (Figure 2).

- **Integrated enterprise IT systems** use a common database, minimizing data redundancy, and are supported by software such as SAP, Oracle, Baan, and others (Figure 3).

- In **Agile companies**, the production of goods and provision of services are adapted to the needs of the customer (Figure 4). Agility in producing goods tailored to the demands of customers consists in integrating information systems (e.g., *computer aided engineering* [CAE], *computer aided design* [CAD], c*omputer aided planning* [CAP], *computer aided manufacturing* [CAM], *computer aided storage and retrieval* [CAS&R], robotics, *computer aided quality control* [CAQ], and others) into one *computer integrated manufacturing* (CIM) system. Table 1 shows the evolution of the factory system from the point of view of production flexibility.