

## Chapter 4.6

# Managing Executive Information Systems for Strategic Intelligence in South Africa and Spain

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### ABSTRACT

Strategically important information for executive decision-making is often not readily available since it may be scattered in an organization's internal and external environments. An executive information system (EIS) is a computer-based technology designed in response to specific needs of executives and for decision-making. Executives having the "right" information for strategic decision-making is considered critical for strategic intelligence (SQ). SQ is the ability to interpret cues and develop appropriate strategies for addressing the future impact of these cues. In order to gauge the current situation in respect of information in an EIS and for managing future EIS development, the authors research EIS in organizations in two

selected countries: South Africa and Spain. From their EIS study, parallelisms and differences are identified and implications for SQ are discussed. Some practical implications for future EIS development are given. The authors suggest these should be considered so that SQ for executive decision-making is facilitated.

### INTRODUCTION

The focus of this chapter is twofold: (1) to discuss executive information systems (EIS) for strategic intelligence (SQ); and (2) to present EIS research from studies in South Africa and Spain and to discuss the SQ implications thereof when considering future EIS development in these countries.

This chapter is organized as follows: The concepts of strategic information and executive information systems (EIS) introduced. Executives having the “right” information for strategic decision-making is considered critical for SQ. A survey of EIS in organizations in South Africa and Spain is undertaken to identify the nature and sources of information included in these surveyed organization’s EIS. The implications of this information for SQ for executive decision-making is then discussed. Some future EIS trends are noted and a conclusion is given.

Organizations use a wide range of technologies and products to help users make better business decisions. Strategic decision-making is often the result of collaborative processes. Strategically important information for executive management decision-making is often not readily available since it may be scattered in an organization’s internal and external environments. Strategic information systems (IS) provide or help to provide, strategic advantage to an organization (Turban, McLean & Wetherbe, 2004). An increasing number of organizations are recognising the strategic significance of their information technology (IT) resources (Maier, Rainer, & Snyder, 1997).

An EIS is a computer-based technology designed in response to the specific needs of executives and for making both strategic and tactical decisions. An EIS is used by executives to extract, filter, compress, and track critical data and to allow seamless access to complex multidimensional models so that they can see their business at a glance. This facilitates executives making strategic and tactical decisions thereby leading to strategic excellence for their organizations. EIS have been successfully implemented in many organizations and in many countries.

SQ is defined as “*the ability to interpret cues and develop appropriate strategies for addressing the future impact of these cues*” (Service, 2006, p. 61). SQ systems are IS designed to provide information about competitors and the competitive market environment which can be

helpful in making strategic management decisions (Mockler, 1992). The notion of SQ leads to strategic excellence (Service, 2006). Strategy is a journey of planning, implementing, evaluating and adjusting while paying attention and focus on the “right” things. Strategy does not deal with future decisions—it deals with decisions for the future. Executives must progress from strategic planning, to strategic thinking to strategic leadership through developing better SQ. In the past, strategy has been too much of a mechanical process and should shift away from a process-centered to a people-centered approach of thinking. However, it is somewhat harder for executives who are process-centered analyzers rather than people-centered synthesizers, who focus on the present rather than the future, to develop SQ. The first step is for executives to recognize that SQ exists and its importance for their organizations. One approach for accomplishing this is through scanning of the external IT environment.

Scanning is the behavior executives perform when they are browsing through data in order to understand trends or sharpen their general understanding of the organization (Vandenbosch & Huff, 1997). Empirical evidence suggests that a significant portion of executive time is spent scanning for information. Environmental scanning acquires data from the external environment for use in problem definition and decision-making.

An effective way to evaluate the success of an EIS is to obtain opinions from the executive users (Jirachiefpattana, Arnott, & O’Donnell, 1996). Since managing EIS is important for organizations, the objective of this chapter is to present the empirical results of quantitative surveys on EIS in a sample of organizations in South Africa and Spain. Such results may serve to underpin managing future EIS development with a need to focus on strategically important information from internal and external environments for SQ. It remains the challenge for IS professionals to design IS to support and enhance the strategic scanning behaviors of executives in complex and

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