Chapter III

An Emerging Strategy for E-Business IT Governance

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ABSTRACT

A critical aspect of global e-business information technology (IT) governance is ensuring that it is integrated and that it enables economic viability of a company. Poorly thought through purposes will result in poor IT Governance. The aim is to improve IT Governance and business efficiency and effectiveness. A framework for global e-business IT Governance is developed. It is based on fundamental re-directions in global e-business IT Governance thinking and it applies to companies that seek to integrate Internet, intranet and WWW technologies into their business activities in some form of an e-business model. Such integration is termed the fusion of IT and business into an e-business. The framework explains and elaborates e-business strategies for coping with emergent organisations and planned aspects of IT. The basic premise of the proposed framework is that organisation, especially virtual organisation, is both planned and emergent, diverging from the dominant premise of central control in IT Governance.
INTRODUCTION

In essence, e-business information technology (IT) governance addresses how to design and implement effective organisations by creating flexible IT and information systems (IS) structures and processes. IT Governance in a global context has to cater for intensive competition, cultural diversity, and various fluctuating economic conditions. A static model of IT Governance and organisation cannot adequately address these issues.

The prime aim of IT Governance is to contribute to business activity in terms of lower costs, satisfied customers and better quality products or service provided by a company. Governance assumes accountability, making improving the channels of accountability an important feature of IT Governance, especially accounting for return on investment. Many problems need to be addressed by the IT function: weak planning, rapid business and environmental change, and management involvement are some. The emergent process of IT Governance reveals that managers need to understand that they are neither all-powerful nor powerless to effect change. Rather, they are in partial control of emerging processes that result in new organisational designs. They need to consider the importance of global business management, cultural diversity, ethics and advanced production and information technologies as the boundaries between the Internet and customer strategy continue to merge. Some fundamental re-directions in e-business IT Governance strategy thinking are considered and a framework for global e-business IT Governance and organisational design as both a planned and an emergent process is proposed.

Management strategies are concerned with reaching a specific destination, and in particular with how to reach the destination. Company strategies are unique and difficult to differentiate from a specific company’s values, goals and mission. Organisations cannot expect to extrapolate or borrow a strategy from another company. What works strategically for one company may not have the same impact on another organisation. Similarly, e-business IT Governance is affected by an organisation’s unique culture and working practices, and should reflect its own goals and ambitions. The proposed framework is not a prescriptive IT Governance package that can be replicated across all organisations or even for all time in a particular organisation. Its purpose is to enable decision-makers to take a holistic and alternative view of IT Governance and to enable them to find their own appropriate mechanisms for devising an IT Governance strategy that fits their particular organisation. This approach is based on the increasing literature on emergent organisations and its corresponding effect on IS development and IT Governance (Pawson et al., 1995; Truex et al., 1999; Patel, 1999). Some authors state that IS development in IT Governance is possible without formal methods (Baskerville, 1992). The proposed framework for global e-business IT Governance supposes that the problem is one of recognising and accommodating emergent activity rather than focusing purely on planned rational governance.

The chapter is organised around the central problem that addresses global e-business IT Governance as combined planned governance with emergent needs. Whilst planning is a vital aspect of IT Governance, the pace of economic change nationally and internationally quickly makes plans outdated. Business needs for IT and IS tend to emerge as a result of organisational and economic factors; thus e-business models, as
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