Enterprise-wide Strategic Information Systems Planning for Shanghai Bell Corporation

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EXECUTIVE SUMMARY

In response to increasing competition and technological advancement, Shanghai Bell Co., Ltd., a leading telecommunications enterprise located in Shanghai, China, carried out a major initiative to develop its next generation Information Technology/Information Systems (IT/IS) strategic plan. The initiative was prompted by limitations of its current enterprise application systems where the systems were neither able to keep up with the evolving needs due to organizational change nor satisfy the increasing demands for information sharing and data analysis. This case describes the environmental and organizational context of Shanghai Bell Corporation, and the problems and challenges it encountered in developing an enterprise-wide strategic IT/IS plan. The issues covered include alignment of IT strategy with evolving business needs, application of a methodology to develop the strategic IT/IS plan, and evaluation of strategic planning project success.

BACKGROUND

Shanghai Bell Co., Ltd. (herein referred to as Sbell), is a joint venture between China, the Belgian Fund for Development, and Alcatel. Founded in 1984, Sbell has become one of
the pillar enterprises in China’s modern telecommunication and information industry. During the past few years, Sbell was ranked among China’s top ten foreign investment enterprises and China’s top 100 enterprises in the electronics and information industry. In 2001, Sbell employed more than 4,800 people with an average age of 29, among which 78 percent of them have university education, including 900 with postgraduate degrees. The main products of Sbell include switching, transmission, terminal, mobile and Internet systems. Figure 1 shows the statistics on the market share of Sbell in China in the Year 2000. In 2000, the sales revenue of Shanghai Bell reached 10.8 billion RMB (1.3 billion USD), which is an increase of 17 percent over the previous year. Figure 2 shows the increasing trend in after-tax sales revenue at the headquarters from 1995 to 2000. By the end of 2000, Shanghai Bell has total assets of 17 billion RMB (2 billion USD) and in May 2001 was recognized by Fortune as one of the best foreign investment enterprises in China.

**Figure 1. Market Share in China (in 2000)**

**Market Share in China (Till Year 2000)**

<table>
<thead>
<tr>
<th>Category</th>
<th>Shanghai Bell</th>
<th>Other Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switching</td>
<td>34%</td>
<td>66%</td>
</tr>
<tr>
<td>Terminal (ISDN, NT)</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Mobile</td>
<td>12%</td>
<td>88%</td>
</tr>
</tbody>
</table>

Source: Shanghai Bell Corporation

**Figure 2. Sales at Headquarters (from 1995 to 2000)**

**Sales (Headquarters)**

<table>
<thead>
<tr>
<th>Year</th>
<th>MUSD (After taxation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>543</td>
</tr>
<tr>
<td>1996</td>
<td>549</td>
</tr>
<tr>
<td>1997</td>
<td>630</td>
</tr>
<tr>
<td>1998</td>
<td>727</td>
</tr>
<tr>
<td>1999</td>
<td>757</td>
</tr>
<tr>
<td>2000</td>
<td>1043</td>
</tr>
</tbody>
</table>

Group sales revenue reached USD 1.3 billion in 2000 and is expected to reach USD 1.44 billion in 2001.

**MUSD: Millions of USD**

Source: Shanghai Bell Corporation
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