Computer Information Systems (CIS) are growing in importance as a major operating department in today’s businesses. This paper reviews evidence of the increasing impact of CIS on strategy development and implementation and strategic planning decision making. Included in the discussion are newer data processing developments, such as parallel processing; management information systems; decision support systems; knowledge-based systems; and integrated systems. Current examples of how these kinds of computer systems are being used to support strategic planning in business are also given.

This article discusses the emerging concept of the intelligent enterprise and of the computer information systems (CIS) job, and their relation to how computer information systems are being used to support strategic planning decision making in business. The discussion covers:

• The changing concept of the computer information systems (CIS) job
• The emerging concept of the intelligent enterprise
• How different kinds of computer information systems (CIS) are being used to support strategic planning in business

Surveys taken in 1986 and 1988 by Arthur Andersen & Co. of chief information officers (CIOs) in 120 Fortune 500 companies indicate a shift is occurring in the role played by CIS department managers, from technical specialist to business manager (Passino, 1988).

In the 1980s the CIS department’s role in general has shifted from providing technical support to providing a wide range of systems and assistance in developing systems that help business managers better run a company. In Passino’s survey, the most frequently mentioned concern of CIS managers in 1986 related to keeping current with changing technology. In 1988, CIS managers indicated that success of an information system department depended less on technology and technical skills of the CIS staff than on the ability of
CIS executives to communicate with, train, and educate business managers and users. 76% of the respondents noted that they thought it was “much more important for them to understand and keep pace with changes in the business than to keep pace with new developments in technology.” The results of this survey were reconfirmed in the following year’s survey of the same group (Network World, 1989).

The five most important issues listed by computer information officers in 1988 were

- Facilitating/managing end user (business manager) computing
- Translating information technology into competitive advantage
- Having top management understand needs and perspective of CIS
- Measuring and improving information systems/data processing effectiveness/productivity
- Keeping current with changes in technology

As seen from the survey, the role of CIS managers has shifted from focusing on technical matters to emphasizing the business management role, with special attention paid to meeting business needs, end user needs, customer requirements, and competitive pressures. With this shift, CIS departments’ roles have become more strategically important to success of business enterprises.

This changing role reflects in part the growing importance of computer information systems as a major operating department and function in today’s business environment. Such departments are in many companies, especially those in service businesses, making major contributions to success in today’s competitive environment.

The Intelligent Enterprise

The term “Intelligent Enterprise” has been coined to emphasize the growing importance of information, and of the telecommunications systems that convey information, to the successful operation of companies in today’s competitive marketplaces.

For example, Bank One Corporation of Columbus, Ohio is one of the fastest-growing banks in the country. The exploitation of computer information system technology is one of their central strategies, according to a management consultant at Peat Marwick Main & Company. In 1988, the company’s return on assets — 1.45 percent, or $1.45 on every $100 of assets — was the highest of any bank in the country.

In using computer systems technology, Bank One has been both farsighted and skillful. In 1966, at the data processing level, it became the first banking company outside California to offer BankAmericard (Visa) and within a year was selling its card processing services to other banks. By 1989 it was doing processing for eight million cards, including those issued by 200 other banks and credit unions. In 1971 it was among the first banks to set up automatic teller machines, an innovation that was resisted by many banks, but is now commonplace. In 1977, Bank One began handling back office processing for Merrill Lynch’s cash management accounts that combined the features of a checking account, a securities account, and a credit card. In 1989 it agreed to handle the back-office needs of the American Association of Retired Persons credit union.

In the management information and decision support area, Bank One has developed new software that draws on all the information the bank has about each customer and presents it in a way that branch officers might use to sell additional products and better service their customers. In the past, at most banks, information about mortgages, credit cards, and car loans has been in accounts separate from the checking and savings accounts (Quint, 1989). Ironically, this increased use of computer information technology, through its applications at the branch level, has enabled Bank
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