

**Golden Gate University
Information Technology Department
Ageo School of Business
ITM 225-C1, Management Information Systems
Spring 2012 (16 Week)**

Time/Dates: January 5th, 2012 through April 18th, 2012

Instructor information

Howard Bernstein, MBA

Adjunct Faculty
Operations and Information Technology Management
Ageo School of Business
Golden Gate University
536 Mission Street
San Francisco, CA 94105-2968
hbernstein@ggu.edu
www.ggu.edu
(408) 892-5186

Instructor Bio

I have over 30 years of senior-level IT technical and management experience in cross-functional project management, customer service, quality assurance, and data communications networking and enterprise software development. I am currently an adjunct faculty instructor at GGU. My experience includes Program Manager in the Worldwide Sales Force Development organization at Cisco Systems, Inc. Prior to Cisco, I was Regional Technology Coordinator at Golden Gate University and Director of Information Systems at Channelwave Software, Inc. I have also held technical and management positions at Tandem Computers, Inc., 3Com Corporation, Network General Corporation, Four Phase Systems, Inc., and Memorex Corporation. Earlier in my career, I was Assistant Manager, Data Center Operations at General Finance Corporation and Manager of Customer Support at Pansophic Systems, Inc. in Illinois. I completed my BS Telecommunications Management and my MBA in Computer Information Systems with honors at Golden Gate University.

Instructor Communication

My goal is to support you to be successful in this course and I'm available to answer your questions and concerns throughout the term. You can contact me by phone (408.892.5186), Email (hbernstein@ggu.edu), or in person anytime before or after our weekly class meetings. Please use the following Subject line format when you originate an Email message to me:

Subject: 12SP: ITM225.C1 [Your First Name] - (A Descriptive Subject)

Example:

Subject: 12SP: ITM225.C1 [Jennifer] – Question on the AIB Case.

Instructor Cybercampus Gradebook Assignment Communication

I also provide feedback to you in your weekly chapter Cybercampus Essay Forum Discussion “Comment” fields. Be sure to check the Comment fields in your User Grade Reports when you see your posted grade. A (√) symbol indicates your answer is accepted and meets the minimum essay content requirements.

Course Description ITM 225 Management Information Systems

You will receive 3 units of credit if you successfully complete this class. This means that you can expect to spend 2 hours 40 minutes [in class and/or online](#) in class each week plus an additional 8-12 hours each week completing homework and preparing for the next class. You can expect to spend more time studying some weeks and less time other weeks, but overall you should expect to average between 11 and 15 hours each week on this class for the entire term.

This course introduces you to the contemporary, technology-mediated, global business environment. Course discussions and activities are framed by integrating programmatic themes common to all School of Technology degrees:

- Information Technology management in Business
- Global issues
- Technology applications
- Information Technology theory and practice

MSITM Learning Outcomes

- Students will articulate the contributions of IT to business strategy, operational goals and business processes, and will be able to communicate clearly with line-of-business counterparts and internal clients to create an IT strategy that aligns to business strategy.
- Students will provide well-argued business cases and business proposals that demonstrate evidence of both course and programmatic learning outcomes.
- Students will demonstrate the ability to manage the enterprise information architecture and a portfolio of IT projects. Students can articulate how to deliver projects that are successful in business alignment, user adoption and the use of appropriate technology.
- Students will evidence the skills and the knowledge to manage effectively in an IT environment increasingly mediated by evolving demands of IT outsourcing, regulatory

issues of security and compliance, and the increasing use of Internet/Web tools such as Software as a Service, Infrastructure as a Service, "Cloud" data storage and management.

This course will assist you in developing management skills from basic through strategic, while interacting with current and evolving technologies that lift the contemporary digital enterprise. You will become acquainted with information architecture and infrastructure, converged network and application tools and concepts, enterprise technology tools, artificial intelligence applications, databases, distributed computing, storage and information distribution systems, information security, customer and sales force management, as well as evolving and new tools. Through the creation of a problem-centered research project, you'll demonstrate your management skills in analyzing a business problem involving technology; integrating your proposed solution with the needs of the business; presenting and supporting technology solutions; creating a real-world hardware and software vendor product integration, implementation and proof-of concept project management production rollout action plan.

The broad goals of the course are listed below:

- To present technology and business issues from the management perspective
- Students will understand the multiple issues involved with IS use in human-centered, technology-oriented environments
- Students will evidence a grounding in conceptual and practical skills in the Information Systems used in business environments
- To present core information systems principles and concepts, and to introduce students to the discipline in such a way as to support other courses
- Students will develop technical and personal skills that will serve information systems management or business professionals.

Course Objectives

Students will understand and articulate by a variety of methods:

- Contemporary information technologies in networked environments
- Applications of information technologies in business
- Management issues of IT systems: integration, return on investment, value, contributions of IT to business goals and strategies
- Ethical and global issues associated with the use of IT in business
- Emerging technologies, theories and practices.

Required Textbook

Management Information Systems: Managing the Digital Firm, 12th edition by Laudon and Laudon. Prentice Hall: ISBN-13 978-0-13-214285-4

GGU Book Store

You can rent or purchase the Laudon text from the GGU Bookstore. Visit the link below for more information:

http://www.ggu.edu/student_services/ggu_bookstore

University Library

San Francisco students can visit the University General Library. The library's site (http://internet.ggu.edu/university_library) provides wonderful resources. One of GGU's richest resources is the library and its staff. There are connections to a lot of good, highly useful information at the library link above. It's a wonderful resource, and its value added for you! Students also need to become familiar with library resources in the IS/Management areas; this applies to all students. You can subscribe to InfoWeek, Technology and Business Daily and other online information sources. There are links in the Webliography on our Cybercampus course site. There are also a number of popular monthlies that address Management Information Systems issues. Many of these are now publishing content online.

Course Grading Policy

Grades are based on assignments, participation in on-line discussions, online exam, and the final AIB case research paper.

Grading Policy	
Essay Forum Discussion Participation	Five (5) points for 29 essay forum discussions with a total of 145 points.
Final AIB research paper	Up to 100 points
Final grade	Based on the maximum number of 245 points earned for the course. (See your individual Cybercampus Student Grade Report.)

Grading	Percentage
A+	97% - 100%
A	93% - 96.9%
A-	90% - 92.9%
B+	87% - 89.9%
B	83% - 86.9%
B-	80% - 82.9%
C+	77% - 79.9%
C	73% - 76.9%
C-	70% - 72.9%
D	60% - 69.9%
F	0% - 59.9%

Final AIB Research Report Project Grading

Grading	Percentage
A+ to A- Range	The writing shows excellent in-depth analytical thinking and is well organized. Has met the research paper's requirements as specified in the course syllabus. Includes excellent external industry and

	vendor product research and reference citations. Additional input is included from external sources or from personal experiences.
B+ to B- Range	The writing shows good analytical thinking and is well organized. Has met a majority of the research paper requirements as specified in the course syllabus.
C+ to C- Range	The writing is general, superficial or incomplete and is not well written. Indicates little thought or effort, and has not met the requirements for industry and vendor product research and reference citations.
D+ to D- Range	The writing is poorly written with incomplete analysis and misses the important paper requirements listed in the syllabus. Missing external industry and vendor product research and reference citations.
F (60 and below)	Fails to meet minimum acceptable standards for a formal, masters-level research paper.

Academic Integrity Policy

GGU's Policy on Student Academic Integrity is in effect at all GGU teaching locations, including regional classroom sites, corporate sites, and distance courses delivered in any medium. This policy applies to all business, taxation, and technology students at Golden Gate University.

Academic integrity means doing academic work in a manner that strives to achieve the learning objectives your courses have set out for you. It means that you follow the rules and procedures prescribed by your instructors so that you acquire the skills and knowledge your courses are designed to give you. It means that you engage in ethical practices in taking tests and doing assignments and that you respect intellectual property rights by fully disclosing sources of information that appear in your papers and presentations. *Plagiarism is not tolerated at Golden Gate University.* Please read GGU's Policy on Student Academic Integrity: [Policy on Student Academic Integrity](#)

Scheduled Assignments

On a weekly basis, students are to read assigned chapters and submit required on the course Website, or during in-class sessions.

Week	Reading, Activity	Etcetera
January 5th Week 1	Information Systems in Global Business Today: Chapter 1 Essay Forum Discussion 1: From a case analysis perspective, what would you say is American International Bank's most significant problem, or Problems?	Student and course material introduction. Review The American International Bank Case.

	<p>Essay Forum Discussion 2:</p> <p>UPS Competes Globally with Information Technology</p>	
<p>January 12th Week 2</p>	<p>Global E-Business: How Businesses use Information Systems: Chapter 2</p> <p>Essay Forum Discussion 1:</p> <p>Virtual Meetings: Smart Management (Laudon page 62)</p> <p>Essay Forum Discussion 2:</p> <p>Collaboration and Innovation at Proctor & Gamble (Laudon page 75)</p>	<p>GGU Holiday: Labor Day - S Campus Closed.</p>
<p>January 19th Week 3</p>	<p>Information Systems, Organizations, and Strategy: Chapter 3</p> <p>Essay Forum Discussion 1:</p> <p>How Much Do Credit Card Companies Know About You? (Laudon page 100)</p> <p>Essay Forum Discussion 2:</p> <p>Will TV Succumb to the Internet? (Laudon page 118)</p>	
<p>January 26th Week 4</p>	<p>Ethical and Social Issues in Information Systems: Chapter 4</p> <p>Essay Forum Discussion 1:</p> <p>The Perils of Texting (Laudon page 147)</p> <p>Essay Forum Discussion 2:</p> <p>Too Much Technology? (Laudon page 151)</p>	
<p>February 2nd</p>	<p>IT Infrastructure and Emerging Technologies:</p>	

<p>Week 5</p>	<p>Chapter 5</p> <p>Essay Forum Discussion 1:</p> <p>BART Speeds Up With a New IT Infrastructure (Laudon page 163)</p> <p>Essay Forum Discussion 2:</p> <p>Salesforce.com: Cloud Services Go Mainstream (Laudon page 203)</p>	
<p>February 9th Week 6</p>	<p>Foundations of Business Intelligence: Databases and Information Management: Chapter 6</p> <p>Essay Forum Discussion 1:</p> <p>What Can Businesses Learn From Text Mining? (Laudon page 227)</p> <p>Essay Forum Discussion 2:</p> <p>Credit Bureau Errors - Big People Problems (Laudon page 232)</p>	<p>GGU Library Resources Presentation 6:50PM. Attendance Required.</p> <p>Student Turnitin.com Account Creation and Viewing Originality Reports Review.</p>
<p>February 16th Week 7</p>	<p>Telecommunications, the Internet, and Wireless Technology: Chapter 7</p> <p>Essay Forum Discussion 1:</p> <p>Monitoring employees on Networks: Unethical or Good Business? (Laudon page 266)</p> <p>Essay Forum Discussion 2:</p> <p>Google, Apple, and Microsoft Struggle for Your Internet Experience (Laudon page 287)</p>	<p>Checkpoint: AIB Research Paper Table of Contents (TOC) Progress Review. Submit your report writing progress to Turnitin.com.</p>
<p>February 23rd Week 8</p>	<p>Securing Information Systems: Chapter 8</p> <p>Essay Forum Discussion 1:</p> <p>When Antivirus Software Cripples Your</p>	

	<p>Computers (Laudon page 304)</p> <p>Essay Forum Discussion 2:</p> <p>How Secure is the Cloud? (Laudon page 321)</p>	
<p>March 1st Week 9</p>	<p>Achieving Operational Intelligence and Customer Intimacy: Enterprise Applications: Chapter 9</p> <p>Essay Forum Discussion 1:</p> <p>Enterprise Applications Move to the Cloud (Laudon page 358)</p> <p>Essay Forum Discussion 2:</p> <p>Border States Industries Fuels Rapid Growth With ERP (Laudon page 366)</p>	
<p>March 8th Week 10</p>	<p>E-Commerce: Digital Markets, Digital Goods: Chapter 10</p> <p>Essay Forum Discussion 1:</p> <p>Facebook: Managing Your Privacy For Their Profit (Laudon page 390)</p> <p>Essay Forum Discussion 2:</p> <p>Amazon vs. Walmart: Which Giant Will Dominate E-Commerce? (Laudon page 410)</p>	
<p>March 15th Week 11</p>	<p>Managing Knowledge and Collaboration: Chapter 11</p> <p>Essay Forum Discussion 1:</p> <p>The Flash Crash: Machines Gone Wild? (Laudon Page 439)</p> <p>Essay Forum Discussion 2:</p> <p>San Francisco Public Utilities Commission</p>	

	<p>Preserves Expertise with Better Knowledge Management System (Laudon page 448)</p>	
<p>March 22nd Week 12</p>	<p>Enhancing Decision Making: Chapter 12</p> <p>Essay Forum Discussion 1:</p> <p>Piloting Valero With Real-Time Management (Laudon page 476)</p> <p>Essay Forum Discussion 2:</p> <p>Does CompStat Reduce Crime? (Laudon page 482)</p>	<p>Checkpoint: AIB Research Paper Progress (TOC/Content/Citations/References) Review. Submit your document to Turnitin.com.</p>
<p>March 29th Week 13</p>	<p>Building Information Systems: Chapter 13</p> <p>Essay Forum Discussion 1:</p> <p>Can Business Process Management Make a Difference? (Laudon page 495)</p> <p>Essay Forum Discussion 1:</p> <p>Are Electronic Medical Records a Cure for Health Care? (Laudon page 522)</p>	
<p>April 5th Week 14</p>	<p>Managing Projects: Chapter 14</p> <p>Essay Forum Discussion 1:</p> <p>Motorola Turns to Project Portfolio Management (Laudon page 550)</p> <p>Essay Forum Discussion 2:</p> <p>JetBlue and WestJet: A Tale of Two IS Projects (Laudon page 556)</p>	
<p>April 12th Week 15</p>	<p>Managing Global Systems: Chapter 15</p> <p>The electronic Chapter 15 document is available</p>	

	<p>in the DocSharing folder.</p> <p>Essay Forum Discussion 1:</p> <p>How Cell Phones Support Economic Development (Laudon page 580)</p>	
<p>April 18th Week 16</p>	<p>Final AIB Research paper is due.</p> <p>Submit your report to your Cybercampus' AIB Research Report assignment and submit the final version to TurnItIn.com.</p>	

Requirements to Receive an "A" for Research Paper Writing

A Nearly Perfect

- There are no errors in structure and format;
- The language form is "Standard Written Formal English." There are no idiom, slang or other language intrusions;
- Language use is superior; there are no vague phrases, diction subject-verb agreement, or pronoun reference problems
- There are no spelling errors;
- Tone is appropriate to the writing;
- The "You" attitude is prevalent. This means the writing is focused on the "you", the reader, rather than the writer.

B Minor errors in structure or format

- Language use is good. There are no major (i.e., run-on or fragment) errors;
- There may be 1-2 spelling errors;
- The writing is more writer than audience centered; the "You" attitude is less apparent than in the "A" paper.

C Writing errors get in the way of meaning

- There are errors in spelling, formatting and structure;
- Sentence level problems in transition, paragraph development, coherence, use of topic sentences;
- Language use may be good, but credibility is compromised because of errors; writer is seen as less credible;
- The writing is controlled and limited by the writer's ability to express him or herself rather than by a consideration of the reader's needs.

Writing (Cont.): Content and your writing skills are very important. Good writing is essential for your success in business. Poor writing can bring down your grade. These are the writing quality criteria for the paper; they also apply to the online exam, homework and discussion assignments:

- The language form is "Standard Written Formal English." There is no idiom, slang or other language intrusions.
- Language use is good. There are no run-on or fragmented sentences, vague phrases, or diction problems. The subject and verb agree! Watch out for improper use, or lack of use, of articles, (e.g. the, a, an) and pronouns (e.g. I, me, they, etc.).
- Watch for spelling errors; be careful of using the spellchecker. For example, spellchecker will not catch "manger" if you meant "manager."
- You make proper use of paragraphs, topic sentences, topic transitions, and summaries.

Why are your writing skills important? Because poor writing will negatively impact your credibility in the business world!

GGU Writing Center

The Writing Center at the Plaza level of the San Francisco campus can help you with your writing. Bring specific questions to the tutor. Make appointments early; don't wait until the last minute. Tutors can't help you construct or edit a paper. They can't turn your ideas or rough drafts into a research paper. They are there to help you with specific writing problems. GGU also provides an online writing lab (the OWL). The OWL offers online writing assistance to GGU students via email. While OWL tutors do not correct errors, they do provide feedback and point to specific problems in a student's work. It is the student's responsibility to make the actual corrections and revisions. For more information, go to the GGU Library Website:

http://www.ggu.edu/university_library

Final Research Paper Project

Point value of the final paper: 100

Submitting the final paper:

1. **Due Date:** The final paper document will be submitted to your Cybercampus Week 16 AIB Research Report assignment.

2. You will also submit a Microsoft Word copy of your American International Bank research project report to TurnItIn.com throughout the term for reference and citation analysis your final version on before the last day of the term.

3. You will also bring a single-sided printout of your AIB report to hand-in to the instructor on the last day of class.

Support:

- GGU Library resources; online resources
- For writing help, use the **GGU Library** resources, **Writing Center** or the **Online Writing Lab**, they will read and provide assistance on paper drafts. They won't help you create content.

http://www.ggu.edu/student_services/caps/learning_support_services/writing_lab

If you have writing, citation and research questions, use the **Writing Center** or the **Online Writing Lab** early in the semester.

The Assignment:

You will analyze and provide a business and/or technology solution to the American International Bank (AIB) case. You can include combinations of the following approaches and provide a management and proof-of-concept project integration and implementation plan for addressing the bank's issues listed in the case.

- Analyze the bank's current business model, and provide a high-level solution(s) to those problems.
- Analyze the bank's current business culture, and provide a solution(s) to those problems.
- Analyze and provide both business and vendor technology product solutions for AIB.
- Write an analysis for senior executive level managers that explain the benefits of using improved IT systems for enterprise business process reengineering (BPR) at AIB. Consider the various notions of "value", and where value applies for the business in this analysis.

Objectives:

To apply the course materials and your business and technology savvy to provide two to three key solutions to the issues exhibited at the American International Bank. Note this assignment is NOT a comparative analysis of the various vendor and product solutions, but your recommendations based on your research to provide the best solutions to address the critical issues described in the AIB case.

Secondary Objectives:

- Identify the key business issues and opportunities.
- Articulate a strategy and tactics to address them.

- Identify and discuss the business processes and real-world industry vendor product and technology solutions that will address the issues and opportunities.
- Explain specific business, financial and technology benefits of your proposed solutions.
- Include your project management implementation plan.

II. Here's a checklist of business and technology considerations and innovative forces that you can select for your report:

a: Business Considerations:

- Business; regulatory environment
- Business process
- Business culture
- Corporate culture
- Global business
- Personnel and management

b. Technology considerations:

- Business improvement
- Business process systems
- Customer relationship management
- Databases and data systems
- Information systems
- Knowledge management
- Networks
- Regulatory
- Sales force automation

Security

The Internet/World Wide Web (Corporate Web site)

Wireless technologies

c. List of innovative forces acting on the traditional world of the international banking business practice for your approach at the bank:

Growth of personalized and micro expression systems

Blogs, logs, podcasting

Increased use of data driven systems for business process and decisions

Changes in customer/client expectations

d. AIB Report Document Formatting and Grading Checklist:

▪ The paper must include the following formatting specifications :

A Cover page with your name course name, paper title, and date.

Table of Contents (TOC) with descriptive headings and page numbers.

Include your TOC headers in the text.

Include page numbers in the Footer section of the text.

Minimum paper content is ten (10) pages. **This does not include the three Cover, Table of Contents, Citation References and optional Appendix pages.**

The paper **is single line spaced with size 12 Times New Roman font.**

The paper's margins are 1."

Do not include long bulleted lists as content. If you have to use a list, it should be written as an introduction to a discussion or explanation.

Do not use short paragraphs will filler line spacing.

A minimum of six (6) external research citation references.

Do **NOT** use Footnotes.

You do not need to cite references for the AIB case for background and issue information. Be sure to allocate the majority percentage of the paper for your recommended solutions.

You can reference the Laudon text, but do not include general discussions of IT system's and technology definitions as solutions for specific case issues.

If you plan to use graphics or tables in your paper, be sure to cite and reference the sources.

Include all graphics and tables in a separate Appendix section.

The APA format is required for your research citations and references only, and not for the entire document. Visit the GGU Library link below for information on citing research sources:

[http://www.ggu.edu/university_library/research_assistance/research_assistance_citing_s
ources](http://www.ggu.edu/university_library/research_assistance/research_assistance_citing_sources)

The paper must be in your own words and all non-original text must be properly cited. The paper will also be submitted to the TurnItIn.com Web site to confirm that you've cited your references properly. See the "Using TurnItIn" document in the DocSharing folder. **(This is also your opportunity for me to review your report development progress to confirm that you are on track with the assignment.)**

PowerPoint Presentation to AIB Executive Management: You will prepare and deliver a 10-15 minute final summary research paper PowerPoint presentation. You will present your analysis and recommendations as you would to the AIB executive management team. The PPT presentation should be no more than five (5) pages and include four to five bullet points on each discussion page. The first Title page should include Golden Gate University, Course Name, [Your-Name] and Date. This assignment is your consultant's summary presentation to AIB's Executive management. Your PPT presentation will summarize your report's objectives listed below:

- Identify the key business issues and opportunities.
- Articulate a strategy and tactics to address them.
- Identify and discuss the business processes and real-world industry vendor product and technology solutions that will address the issues and opportunities.
- Explain specific business, financial and technology benefits of your proposed solutions and your proof-of-concept project implementation plan.

Your PowerPoint presentation will be submitted to your Week 16 Cybercampus Grade Report assignment.

You will deliver a single-sided printout of your report to hand in to AIB management (instructor) at the end of the class session.

Final Research Paper Assignment The American International Bank Case

Consultant's Integration and Implementation Contract:

You have been hired as a consultant by AIB to work with Pamela and Tamara to provide an assessment of the key issues described in the case description below. You will prepare a formal report that provides your real-world business, hardware and software vendor integration and implementation product solutions to the AIB executive management team.

Begin AIB Case Description

Tamara Long sat in her office reflecting on the tough past 6 weeks. She was the head of the international department at the American International Bank (AIB). Six weeks ago, the Chairman of the bank had called Tamara into his office. A bulletin had just come over the bank's wire indicating that a military coup had taken place in Portugal. The bulletin also reported that the new military dictator had frozen all foreign assets in Portugal and had imposed strict currency controls to keep capital from fleeing the country. When the Chairman heard about this, he asked Tamara a perfectly logical question:

What was the bank's exposure in Portugal?

It had taken Tamara over a month to get the information, and even then she had to admit that it was not very accurate. AIB did not have an integrated information system in the international department. Each overseas branch had its own small computer keep track of its customers and handle the daily operations of the bank. Tamara had to call people in each branch and ask them to manually search their records for loans to businesses based in Portugal, loans denominated in Portuguese escudos, loans backed or guaranteed by assets in Portugal, and other deposits or foreign exchange exposures. Since the branch records were by customer rather than by country of risk or by currency, the branches had to manually check each customer account to determine whether any loans met the search criteria. It had taken several weeks to compile this list and recheck it for accuracy.

Tamara seemed to recall a monthly report which presented exposure by country and currency, but when she asked her data processing department about the report, she was told that it had been discontinued over six months earlier when no one expressed interest in it. In Tamara's opinion, and demonstrated by the current situation, these reports should have been retained. They were of vital concern in reviewing the international loan portfolio. In checking with his people on why they were not used, she was told that because they were never reconciled with

the department's manual records, their accuracy was always suspected. Furthermore, the reports were always one calendar quarter behind: the March first-quarter report was for information collected as of December 31. Tamara had asked for a meeting with the director of data processing, Pamela Lawrence, to see what could be done.

Background

The American International Bank is a money center bank specializing in wholesale banking. It has a small but prestigious client list. AIB concentrates on meeting the needs of the American multinational company abroad by providing the full range of banking and investment banking services. The special relationship built between the bank and its clients was based on close personal ties between bank management and client management. Each branch manager and account representative met with officers of client companies monthly to discuss business conditions and banking requirements.

When the coup d'etat took place in Portugal, all the bank's clients doing business in Portugal were visited by AIB officers who personally briefed them on the coup and discussed its potential impact on their business. This type of personal relationship had worked effectively for the bank, making it one of the larger and more profitable wholesale banks in the country.

Because the bank's success was built on personalized service to its clients, branch managers had almost total autonomy to manage their branches in the manner that would be most satisfactory to their clients, considering local customs, services expected, and government regulations in the host country. AIB headquarters issued policy statements and kept control of credit policies, foreign exchange trading policies, currency exposures, and the general credit worthiness of its clients.

Each branch manager had the authority to operate within these policy guidelines. The eleven (11) overseas branches reported directly to Tamara Long. The relationships between Tamara and her branch managers were excellent. She had complete confidence in their judgment and was kept informed through monthly reports as well as phone conversations on any major transactions. Tamara made semiannual visits to all the branches and quite often would accompany the CEOs of major clients when they went abroad to arrange for mergers or acquisitions.

During these trips, Tamara made sure that the local branch manager accompanied her on all client visits. Once every quarter, each branch manager visited headquarters in New York to review clients, discuss plans, and exchange ideas. Tamara would try to schedule these meetings so that as many managers as possible would be in New York at the same time. This afforded a chance for the managers to meet and to exchange information about mutual clients. All in all, the working environment at AIB was competitive but cordial, and there was a feeling of trust and mutual respect among management personnel.

All international branches have no local and wide area network communication facilities. Each branch has computer systems, which range in size from a legacy IBM 4300 system [1] at the London office to standalone Microsoft Windows-based desktop systems in all the other offices. All branches do not have standardized security policies and software systems installed. There is

also no global security plan or infrastructure in place, and there are no standard business office or financial banking application software products installed among the branches. Even with the legacy IBM 4300 computer, London has the most automated of the overseas offices; it was the largest, and it also had a thriving trust operation and a merchant banking business (securities transactions). The other offices used their computers to maintain branch financial records, bank ledgers, and information needed to prepare government regulatory reports. Other than monthly statements, client records were kept by each individual account officer on a manual basis.

All software development was done by people from the New York office information technology staff, with the exception of the London branch. Analysts and programmers would go to the branches, help them define requirements, and design and program the systems for them. One person in the local office was designated to operate the regional office computers and maintain the software systems. This involved collecting input from the originating department, supervising the data entry clerk(s), running the program, checking the results, and distributing the reports. If problems arose, New York was called for help.

This arrangement had worked well until recently. The local office people did not have to worry about systems development or operations; they got to say what they wanted, and technical personnel were sent from New York to implement a system for them. The costs were all absorbed in New York. The data processing people in New York were happy because they got to design individual systems in Europe and the Far East; they had few restrictions as to how the system was to be designed, and they could be as creative as possible. Moreover, since the work was done on site, the technicians lived on expenses, vacationed in the glamorous cities of the world, and enjoyed first-class travel. The London office had its own staff of analysts and programmers.

Starting in 2004, AIB's competition started to offer computerized banking services to clients. Corporate cash management service, debit card services, and computerized financial management services were offered by competitors to lure accounts away from AIB. Initially, AIB used the approach of "personalized services" to offset the "impersonal machine services" offered by competitors. But branch managers could see the day when they would need to make greater use of the computer as a competitive tool. This had been the subject of discussion at several quarterly meetings, but nothing was done because no single branch wanted to be the first to automate fully.

Additionally, all the managers knew that automation would require a significant capital investment, which would affect the bank's bottom line and consequently, their bonuses. Most of the branch managers believed that AIB's strength was in the personal relationships built up with its clients over the years. Managers knew what was going on with their clients and could anticipate their financial needs through monthly visits, so they felt they did not need to review computer listings. The pressure to automate was not there.

A New Critical Issue

An incident took place when the branches were compiling their report to Tamara on their exposure to Portuguese businesses that changed the managers' complacent feelings about

automation and "shook up" the head office. AIB had long been the lead bank for one of Europe's major automobile manufacturers. The manufacturer had recently arranged a new line of credit for \$50 million with the bank. Each branch was notified of the new line, which was \$25 million more than the old.

The auto company went to each of the six European branches and drew down \$20 million at each branch. Since the company was a good client of the bank, none of the branch managers had reason to question the transactions. Individually, each transaction was well within the \$50 million line of credit.

The automobile company had a plant in Portugal, so the requested manual search resulted in each branch reporting to the head office what the branch exposure was. This was when the head office noticed that the automobile company had borrowed in excess of its \$50 million line of credit. Each branch reported the \$20 million draw down. The bank had loaned a total of \$120 million, which was \$70 million in excess of the credit authorization. Not only was this an embarrassment to the bank, it also created an awkward situation with the client.

How could this have happened? It happened because of the autonomous nature of each branch. There was no coordination of all activities for any one client. When the automobile company went to each branch and drew down \$20 million, the branches had no way to know that this transaction was being repeated at each of the other European branches. Eventually, when New York compiled the monthly loan reports, the situation would be recognized, but not until then.

This affair, coming shortly after executives realized how difficult it was to get exposure information by customer, created a crisis atmosphere at the board of directors' level. Several directors immediately demanded that the bank take immediate action to get more up-to-date and accurate information to monitor and control its overseas transactions.

Arriving at a Solution

When Pamela arrived in Tamara's office, Tamara had already decided to seek her advice on how to automate customer information in the overseas branches. Tamara wanted to be able to pull up an electronic file on each customer and be able to determine that customer's current account balances, loans outstanding, foreign exchange positions, and other data. Furthermore, she wanted to be able to do it at any branch office anywhere in Europe and, eventually, anywhere around the world. This information would enable the banks' officers in Europe to know which of the bank's products to push. It would also give them more complete information to use to assess a customer's creditworthiness. Amazingly, tracking a total relationship with a client was not possible at the present time.

With this proposed new system, Tamara wanted each branch to have access to the total relationship with a client, regardless of where the client did business. Better controls would prevent clients from overdrawing their lines of credit. And, since foreign currency trading accounted for a large part of the bank's operating income, Tamara wanted to be able to electronically track each trader's buy-and-sell positions by currency. This would enable the head trader at each branch to instantly detect unauthorized trades and spot when an individual exceeded a specific limit.

"Can we do all this, Pam?" Tamara asked.

"Sure," she replied, "but we'll need to do some enterprise business planning first. In a sense, we're lucky. We have a minimal investment in systems in Europe. Each branch has its own system; they will all need upgrading, both from technical and user perspectives, and we have been thinking about how to approach you in developing an integrated information system for our international operations."

"It sounds like you might have some ideas on how to go about doing this. What information do you need to get started?" asked Tamara. "There are some basic business and technology decisions the bank has to make before we can start planning how to develop the system you want," Pamela answered.

Pamela and Tamara received approval to hire an outside IT consultant to work with them and the AIB national and international executive and management teams, and to provide an assessment of the key issues described in this case description. The consultant's first project deliverable will be to prepare a report that provides real-world hardware and software vendor and product proof-of-concept integration and implementation solutions for AIB's global international enterprise environment. The consultant will also prepare and present a 10-to-15 minute PowerPoint presentation to the AIB executive management team on December 13th, 2010.

[1] Student research source material. The IBM System i: Wikipedia. Retrieved June 2010, from: http://en.wikipedia.org/wiki/IBM_System_i)

End AIB Case Description