

## IS SUPPORT FOR CORE BUSINESS AREAS

*“Describes for each **core area** why it is important and how each area is composed. Illustrates supportive **IS functions** (results of the functional analysis system technique diagrams).”*

[ Coupling Object-Oriented and Workflow Modelling in Business and Information Process Reengineering. University of Athens, IOS Press, pp63-87. ]

For each core area from the business model the relevant IS Functions should be defined. There are various ways to do that and here is one approach.

Step I. Define the business in terms of the following nine elements which are the building blocks for the business model of every company:

- **Products**: An overall view of a company's bundle of products and services.
- **Target Customer**: The segments of customers a company wants to offer value to.
- **Distribution Channel**: The various means of the company to get in touch with its customers.
- **Relationship**: Explains the kind of links a company establishes between itself and its different customer segments.
- **Value Configuration**: The arrangement of activities and resources.
- **Capabilities**: The competencies necessary to execute the company's Infrastructure business model.
- **Partnership**: Portrays the network of cooperative agreements with other companies necessary to efficiently offer and commercialize value.
- **Cost Structure**: Sums up the monetary consequences of the means employed in the business model.
- **Revenue Model**: Describes the way a company makes money through a variety of revenue flows.

[Clarifying Business Models: Origins, Present, and Future of the Concept. Osterwalder, A. Pigneur Y., Tucci, C. (2005)]

Step II. Define IS Functions using **functional analysis**.

Step III. Use the framework below to analyse the current situation in the company and to define an IS Strategy.

- **Prioritization**: Ensure that the portfolio of investment in applications and technology produce the maximum return from resources available.
- **IS strategy alignment**: Ensure that IS development plans are integrated with organisational and functional strategic plans.
- **Business process design**: Determine how IS can deliver ‘best practice’ in operational processes and organisational activities.
- **Business performance improvement**: Identify the knowledge and information needed to deliver strategic objectives through improved.
- **Systems and process innovation**: Carry out relevant R&D into how IS/IT can be used to create new ways of conducting business and new products and/or services.

[Beyond strategic information systems: towards an IS capability. Journal of Strategic Information Systems 13, pp167-194. Peppard, J. et al (2004).]