

Time: 3 hours
Marks: 100
(Weightage: 70%)

Note : Attempt any three questions from Section A Section B is compulsory. Questions in Section A are of 20 marks each and Section B carries 40 marks.

SECTION A

1. Explain the use of Information Technology as a strategic resource and its impact on the overall functioning of the organisation. (20)
2. Explain the various stages through which the ICT is being used to redefine the corporate strategy. (20)
3. In the context of e-business networks, explain the following (20)
 - (a) Virtual Value Chains
 - (b) Demand Chains
 - (c) Supply Chain Management
4. Discuss the various phases to evaluate the effectiveness of Internet strategy for e-business. (20)
5. Explain the role of information and communication technologies for Global Branding and Customer Relationship Management. (20)

SECTION B

6. Read the following case carefully and answer the questions given at the end of the case (40)

Aeronautica Civil : Achieving Competitive Advantage in a Noncompetitive Industry

Competitiveness in government agencies can sometimes be expressed as "competing against yourself". Essentially, an organization sets goals that are significantly higher than current performance and puts processes and systems in place to meet those goals, thus effectively competing against its former performance.

Aeronautica Civil is Colombia's air-control agency. A division of the Colombian Ministry of Transportation, Aeronautica Civil is responsible for over-seeing and developing Colombia's air transportation system, including 73 airports and 3,000 officers. The agency is responsible for efficiently managing the movement of more than 10 million passengers and 957,000 aircraft take-offs and landings each year.

In its review of computer systems for the YZK problem, Aeronautica Civil became aware of significant deficiencies in the control of its financial operations.

Billing was consistently in a three-month backlog, processing a customer statement took three days, bank accounts were being reconciled manually, and closing the monthly balance sheet was taking three months. Something needed to change, and the business drivers behind that change were :

Increase the company's revenues and improve accounts receivable turnover.

Prevent economic losses from bad debts plus and control revenue from other sources.

Minimize resources wasted in responding to claims.

Allow for procurement controls and control of fixed assets.

After a three-month evaluation process of ERP vendors, Aeronautica Civil selected consultant J.D.

Edwards to develop and implement a system that could address the problems in the agency's financial operations and improve its performance. The system was successfully implemented in only nine months.

Key factors in that implementation success were the full commitment of Aeronautica Civil's executives towards the initiative and an implementation team that included some of the best professionals in each of the agency's financial and administrative areas.

Success was defined as meeting many of the goals defined for the project. In comparison, and in competition, with its former self, now billing is up-to-date, customer statements are processed in two minutes, bank accounts are reconciled, automatically every day, and the balance sheet is closed by the twentieth of the following month. More generally, these are the results. Management of accounts receivable and collection has been significantly improved. Managers have access to timely and reliable information for decision-making. Decision-making and immediate response capabilities are more efficient, a critical factor in air transport agency. Costs and execution times have been reduced, And operations and corruption control have been automated.

Today the new, more competitive Aeronautica Civil projects "an image of continuous modernization, better service, efficiency, control, and transparency among its customers and other governmental entities. Aeronautica Civil has become a model government-owned company, and a prototype of systematization for aeronautics companies in other countries". Aeronautica Civil is one of many examples of not-for-profit or government agencies who have implemented a strategic information system to become more competitive in an industry in which the normal rules of competition do not apply.

Questions

- (a) Who is Aeronautica Civil competing against ? What other approaches to measuring competitiveness can not-for-profit and government agencies use in measuring competitiveness ?
- (b) Can profit-making organizations use the approach adopted by Aeronautica Civil? Why or why not?
- (c) What were some of the keys to success for Aeronautica Civil ?
- (d) How did Aeronautica Civil measure competitive success ? Specifically, compare "before" and " after" on the performance measures identified in this case.