Editor’s Comments

As the June 2010 issue goes to press, IT industry players are forecasting greater profits as part of a brighter economic outlook. The articles in this issue focus on strategic IT architecture decisions that will be important for client firms seeking to increase their IT investments today, as well as client firms seeking to better leverage their IT investments in the future. For IS leaders primarily focused on cost savings, this set of articles by academic researchers also offers substantive food-for-thought for cost-effective responses to today’s increasingly interdependent, and sometimes “cloudy,” world.

The first research article (“Investment Spend Optimization: A New Approach to IT Investment at BMO Financial Group”) provides an in-depth description of a process for optimizing an IT investment portfolio, internally referred to as the ISO process. Co-authored by academic researchers Heather Smith and Jim McKeen and two key leaders from this large North American firm (Cathryn Cranston and Michelle Benson), the ISO process has already yielded IT-business alignment benefits for a recently centralized IS function, despite the recent economic turmoil. In addition to providing insights about managing this type of change, the authors share their views about several challenges the company still faces, including ensuring that innovative IT investment ideas are recognized and nurtured under their newly structured approach.

Two different paths for transitioning to a modular enterprise architecture—in which interfaces across business processes and services are standardized—are described by Arun Rai, Viswanath Venkatesh, Hillol Bala, and Mark Lewis in the second article (“Transitioning to a Modular Enterprise Architecture: Drivers, Constraints, and Actions”). Based on multi-year case studies of how two different firms developed this type of IT architecture capability in response to competitive pressures, the authors compare and contrast the actions they took in response to various constraints and provide some lessons that other companies can learn from.

The third research article (“Designing Enterprise IT Architectures to Optimize Flexibility and Standardization in Global Business”) provides a long-range, high-level view of strategic IT architecture investment decisions for firms with global operations. Bill Kettinger, Donald Marchand, and Joshua Davis present a framework in which a different dominant IT architecture (based on Jeanne Ross’ published model) aligns best with each of four well-known global management models by Bartlett and Ghoshal: multinational, international, transnational, and global. Building on their own collective experiences and published reports on global firms headquartered on different continents, the authors utilize case examples to highlight the IT decisions made for enterprise systems and other IT infrastructure capabilities.

In our final article for the June 2010 issue (“Preparing for the Future: Understanding the Seven Capabilities of Cloud Computing”), Bala Iyer and John Henderson challenge IS leaders to begin thinking more strategically about how to leverage this newest type of computing, which has already gained the attention of business leaders. Just as businesses, governments, and other regulatory bodies have evolved their responses to unanticipated disruptive ecosystem changes, these authors remove some of the “cloudiness” by providing a framework for evaluating the new strategic IT capabilities offered by various firms in the evolving cloud computing ecosystem.

Both the article by Iyer and Henderson (which is based on a research report for the Advanced Practices Council of SIM) and the regular APC forum in this issue (reporting on a member’s IT-enabled approach to generating innovative ideas) reflect what all of us on the MISQE Board believe is an especially important, long-term partnership across the SIM practitioner and academic IS communities. If asked “for whom do we toil,” the MISQE answer is clear: our mission is to disseminate practice-based academic research, which has been rigorously conducted and reviewed, that contributes to improving IS management practice.

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