Chapter 6

Strategic Information Systems Planning in United Arab Emirates Organizations

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ABSTRACT

This exploratory research focuses on SISP approaches in UAE organizations and their potential impacts on IS&T investment. The study uses a survey and simple model to characterize, classify and examine SISP approaches in 17 UAE organizations. Four typical cases deemed representative of the main SISP categories were examined further to determine specific strengths and weaknesses, and to appraise the suitability and effectiveness of each category considering the organization culture and business environment. The study concludes with emphasis on the importance of SISP to UAE organizations' ability to achieve their business goals. It also suggests that the proposed SISP classification model can be used by UAE and Arab organizations to identify any inadequacies in their existing SISP approaches, and understand the cultural shift needed to adjust these approaches to guide effective investment in IS&T that is aligned with business strategy and focused on business objectives and goals.

INTRODUCTION

In a competition-intensive business environment with increasing internal and external pressures, especially as the negative impact of the recent global financial crisis is surpassing the most gloomy outlooks, it has become critical for organizations to ensure efficiency and effectiveness of their planning, management and control of

projects and other initiatives geared towards the realization of their business goals and objectives. The wide recognition of Information Systems and Technology (IS&T) as business enabling tools, and their proven benefits to the business in modern organizations, has justified the investment of huge funds in a wide range of IS&T infrastructure and applications. Strategic Information Systems Planning (SISP) provides organizations with the processes to guide effective investment in IS&T, and to ensure that the adoption and assimilation

of such technologies will culminate in tangible business gains and investment returns that can translate into competitive advantages.

(SISP) is a concern for both Information Technology and business managers. SISP is described as "a cyclic process to identify a range of information systems applications and related infrastructure to act as an enabler to drive business strategies for value creation" (Lederer & Sethi, 1988, Philip, 2007; Pricewaterhouse, 2008). The importance of IT strategic planning is indicated by its ranking in the in the top 10 IT management concerns for the past two decades (Philip, 2007).

When examining the IS literature we find little evidence on the use and influence of SISP in the Arab world, and virtually nothing on the influence of culture on adopted approaches. Therefore, research question that arises is of two parts: "How do organizations go about SISP, particularly those in the United Arab Emirates (UAE)?" and "Are there cultural influences on organizations' selection and adoption of SISP approaches?". This research is focused on the UAE, which is part of the Oil-rich Arabian Gulf region, and is becoming highly industrialized with GDP reaching US$ 190 billion. According to the research firm IDC, IT spending in the Gulf region was expected to exceed US$ 9 billion in 2008, with the United Arab Emirates being the second largest market for IT spending after Saudi Arabia (IDC n.d).

With investment of this size, it is important for managers to know if such investment is creating value for the stakeholders and to have some indicators of anticipated investment returns. We contend that IT planning generally and SISP in particular, is the critical stage that may decide how IT should be spent to drive value creation for competitive advantages in modern organizations.

This exploratory research investigates SISP approaches in UAE organizations and their potential impacts on IS&T investment. This builds on the findings of a case study that examined the approach of a major UAE Utility (Abdallah and Albdari, 2009).

A model that was developed and tested previously is used to evaluate SISP approaches in 17 UAE organizations who participated in a survey associated with this study, and to characterize and classify these approaches. Four organizations selected as typical cases that represent the main SISP categories are investigated in more detail to obtain a better understanding of specific strengths and weaknesses, and to examine the appropriateness and effectiveness of each approach category considering the business environment, organization culture and priorities.

The study concludes with a discussion of the selected group of cases and a number of recommendations to help UAE organizations understand to what category their approaches belong and to take necessary action to adjust their SISP approaches to guide suitable and effective IS&T investment that is aligned to business strategy and focused on the realization of business objectives and goals.

BACKGROUND

The concept behind Strategic Information Systems Planning is about using technology to support the organization's business strategy, with the intention of leveraging existing infrastructure for effective deployment and to guide future IT acquisitions (Boynton et al., 1987; Earl, 1993, Mentzas, 1997). Earl (1993, p.1) argues that SISP should address the following areas: a) Aligning investment in IS with business goals; b) Exploiting IT for competitive advantage c) Directing efficient and effective management of Information Systems resources d) Developing technology policies and architectures.

Earl argues that the first two areas are concerned with information systems strategy, the third with information management and the fourth with information technology strategy. Lederer et al. (1988) has also argued that SISP is a way to determine a portfolio of IS&T infrastructure to meet a business's objectives as declared in their business strategy. The process of planning is a complex task

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