# IS Strategic Processes:
## Benefitting from People's Competencies in a Geographically Dispersed Organization - A CIO's Challenge

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## EXECUTIVE SUMMARY

*In large, geographically dispersed organizations, achieving a successful Information Systems (IS) strategy can prove very challenging. This case describes how a CIO in such an organization met that challenge by focusing on actions rather than plans, and on bottom-up processes rather than top-down decisions. The CIO keyed on benefitting from employees' competencies. The organization, here called "NorConstruct," has few long-term IS strategic plans. Instead, it has developed five different IS strategic themes on a general level. It's actual IS strategy takes place through different IS projects. The case is told through the CIO and provides rich descriptions of IS strategic processes in NorConstruct, as well as the CIO's thoughts on the pros and cons. Throughout the case, several relevant reflections are described.*

*Keywords:     Bottom-up Processes, CIO Challenges, Geographically Dispersed Organizations, IS-Strategy, IS-Strategy as Action, Strategic IS Management*

## ORGANIZATION BACKGROUND

This study examines the Information Systems (IS) practices of a major Scandinavian corporation ("NorConstruct"). At the time of writing, NorConstruct employed 6,000 people, approximately half of whom were daily using a variety of ISs. NorConstruct's is one of Scandinavia's leading construction and property development companies. It is the leading company in its field in Norway and the fourth largest in Denmark, and it has extensive operations in growth regions in Sweden. NorConstruct's business concept is to create value by designing, building and managing projects in partnership with customers who inspire growth and development. NorConstruct aims to continue to develop its position as one of the leading construction and property development companies in Scandinavia. In 2009 its profit reached NOK 523 million before taxes (approx. $89 million) of a total turnover of approximately NOK 15.5 billion ($2.6 billion). Its stock value on the Oslo stock market had remained above $1 billion for the last few years. Moreover, Nor-

Construct had its own internal stock program designed to encourage its employees to buy into the company, and they then owned around 20% of it. NorConstruct consisted of several highly self-driven units, or divisions, unevenly spread between Norway, Sweden, and Denmark. Most of NorConstruct's operations were in Norway, site of its corporate headquarters. Figure 1 gives an overview of NorConstruct's organization. Each division had its own CEO who reported to NorConstruct's top CEO. The CIO, meanwhile, whom we'll meet in this case, was a member of the top CEO's staff but not a member of the top management group, which was limited to just the top CEO and the division CEOs. However, the CIO served the whole corporation as there was no local IT or IS departments in the different divisions.

NorConstruct, competing in the open market, would land contracts from private investors as well as publicly funded projects. In the Norwegian market of its core construction business, it faced about five regular competitors on a national level with Skanska and NCC being the biggest of them. However, they faced local competition from strong regional constructions companies. Its real-estate division faced local competition wherever its projects happened to be, but also had to face the competition of Skanska's and NCC's real estate departments. Both Skanska and NCC are multinational corporations, but smaller than NorConstruct in the Norwegian operation. Table 1 gives an overview of some key figures for NorConstruct over the past few years, showing growth up to 2008. Although Norway only have had slight set backs due to the global financial crisis, the areas that felt the effects of the crisis the most was within construction and

*Figure 1. Organizational map of The Firm*
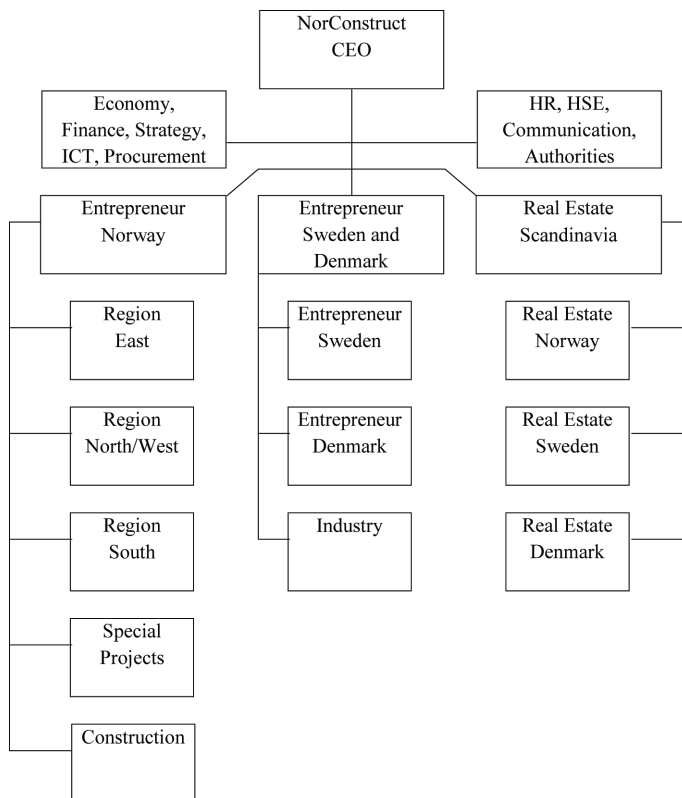
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