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PARTNERING FOR BUSINESS VALUE: THE SHARED MANAGEMENT OF THE IS INFRASTRUCTURE¹

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ABSTRACT

It would be expensive indeed if every new information system required the selection and implementation of all the hardware, software, middleware and data the system required, from the ground up, as well as the selection and hiring of all the skilled individuals who would implement these components. Instead, with some advance planning, the equipment, software, data and skilled individuals already in place can often be used as a basis for subsequent applications, reducing their costs considerably. Building a *leverageable base of information technology assets* — or what we call here the information system (IS) infrastructure — may require business partner direction setting, championship, funding and, ultimately, use.

Our objective is to develop a relevant, testable and valid theory relating to the question, **How does the relationship between IS and clients influence the management of information system infrastructure and the business value gained from information systems?** The approach we have adopted is to combine empirical data collected from a repeated visits field study with observations from previous literature.

The units of analysis for our study are management initiatives that modified the IS infrastructures at seven firms and the IS-client relationships surrounding them. Some of these firms changed how their IS staffs were structured and others implemented client server applications. The IS-client relationships at the firms varied in terms of their formal structures and their communication mechanisms. Diverse business outcomes were anticipated from the initiatives, with the structural changes directed mainly at improvements in productivity, flexibility or the overall quality of the IS staff, and the client server initiatives focused on business process changes or worker productivity. Data was collected from both client and IS representatives in four visits over eighteen months, mostly through interviews, but also by observation and by examination of archival data.

The analysis of data was interleaved with data collection. By doing this, we gradually developed a model that describes how the responsibility for the IS infrastructure is shared between business professionals and their IS suppliers. This model identifies three leverageable IS assets: *a technology infrastructure*, the familiar set of tangible hardware, software and data assets; *the IT staff asset*, the somewhat less well understood set of expertise or know-how and willingness to work embodied in the IS work force; and what we now view as *the relationship asset*, the endowment of mutual trust, shared vision, communication channels, and shared experiences that enable partnership between IS and their clients. We will present a set of hypotheses drawn from this model.

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