Agnieszka Lisowska
agnieszka.lisowska@pw.edu.pl
Politechnika Warszawska, Wydział Zarządzania, Katedra Innowacyjności i Przedsiębiorczości
Małgorzata Reilly
małgorzatareilly@gmail.com
Politechniki Warszawskiej

Chosen aspects of an it enterprise development strategy

Wybrane problemy strategii rozwoju przedsiębiorstwa informatycznego

W polskiej gospodarce mamy do czynienia ze znacznym wzrostem fuzji i konsolidacji, a jednocześnie zauważalna jest tendencja do outsourcingu znacznej części procesów w przedsiębiorstwach.
W artykule przedstawiono i omówiono wybrane aspekty strategii rozwoju firmy w sektorze IT (najczęściej outsourcingowana usługa) działającej w relacji spółka-córka, spółka-matka w warunkach grupy kapitałowej.
Bycie częścią grupy kapitałowej oznacza, że spółka-córka stoi przed wyzwaniem nie tylko realizowania własnej strategii i osiągania własnych celów, ale także przed wyzwaniem skoordynowania i zsynchronizowana ze strategią spółki-matki w taki sposób, aby wspierać osiągnięcie celów i zadań spółki-matki.
Słowa kluczowe: strategia, IT, spółka zależna, firma macierzysta, analiza strategiczna, grupa kapitałowa, ścieżka wartości, pozycjonowanie strategiczne, cele strategiczne, korzyści, zagrożenia.

In the Polish economy there is a significant increase in mergers and consolidations, and at the same time there is a tendency to outsource a significant part of processes within enterprises.
This article will present and discuss chosen aspects of development strategy of a company within IT sector (most frequently outsourced service) operating in mother company and subsidiary set-up within a capital group.
Being a part of a capital group means that the subsidiary has a challenge of not only exercising its own strategy and achieving its own goals and targets, but also it has to be lined up and synchronised with its mother company's strategy in order to support achieving mother company's goals and targets.
In order to ensure the above subsidiary's strategy has to be developed in a way that takes the company's unique position into account.
Key words: strategy, IT, subsidiary, mother company, strategic analysis, capital group, value path, strategic positioning, strategic goals, benefits, threats

1. INTRODUCTION

In the Polish economy there is a significant increase in mergers and consolidations, and at the same time there is a tendency to outsource a significant part of processes within enterprises.

This article will present and discuss chosen aspects of development strategy of a company within IT sector (most frequently outsourced service) operating in mother company and subsidiary set-up within a capital group. This means that the article will deal with the topic of capital outsourcing.

Operating within a capital group means that the subsidiary's activities are strongly lined up with strategic direction of the mother company. Proposed strategy aims to include the subsidiary in

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capital group's development process through shaping the functioning and implementation of strategic directions, which are lined up with the strategy defined for the capital group.

Characteristics of IT sector, and especially very quick technological and market changes force IT enterprises to revise and modify their development strategies in response to those changes.

When evaluating the strategy of a subsidiary, it is necessary to run company diagnostics, define company's mission, activity domains and priorities relating to products and markets, as well as define business risks.
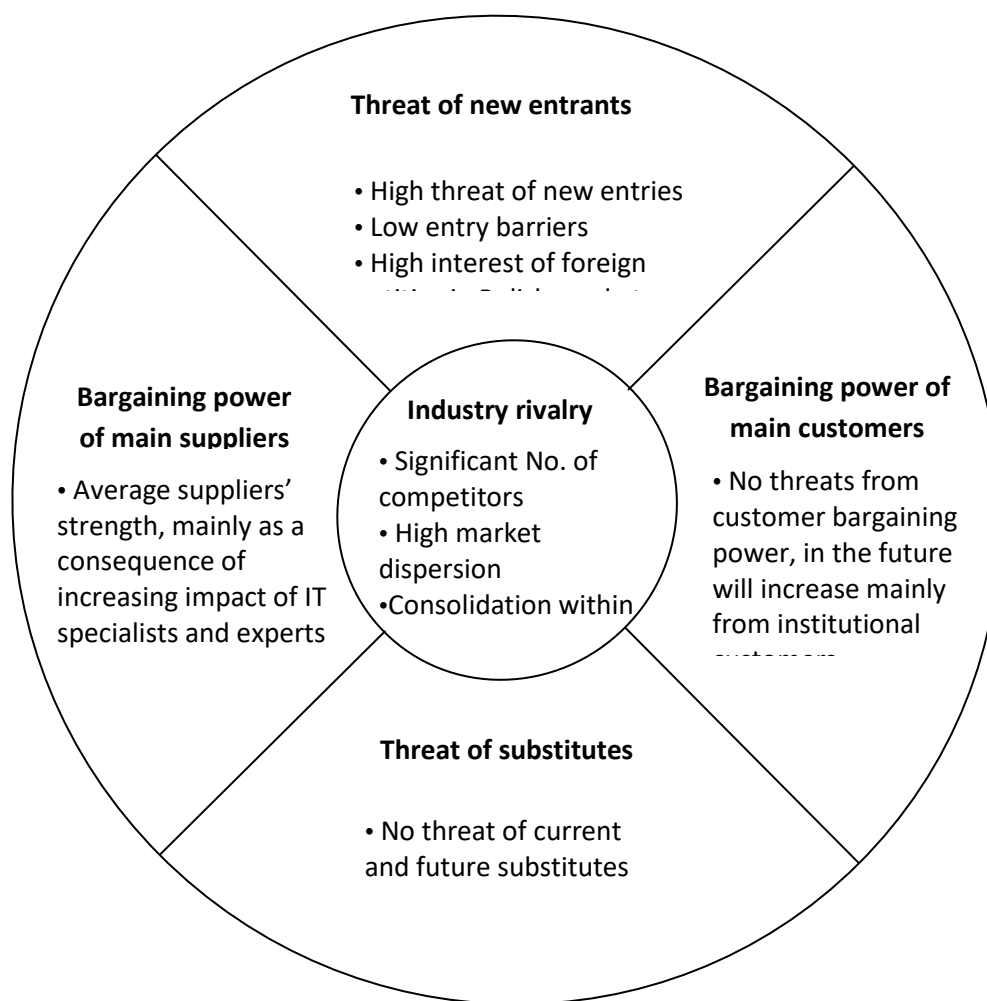
Preparing subsidiary's development strategy requires the use of commonly approved analytical tools, internal information sources, company's employees' opinions and suggestions, as well as external information.

In order to be successful, an IT enterprise needs to have a strategy for action, which then can be implemented practically. Every strategic decision, especially related to enterprise development strategy, has to be preceded by a deep strategic analysis. Strategic analysis, together with strategy design and further its execution makes up a consistent strategic management process, also called a strategic planning process.

When developing a strategy, the first element is carrying out a strategic analysis, which is a collection of activities aiming to diagnose the organisation and its surrounding environment. The analysis has to take into account distant environment related to macroeconomic aspects defining its functioning with in market sector, as well as approximate environment, sector environment directly interacting with the enterprise. In this case Polish IT sector situation has to be analysed, as well as macro-conditions for the development of the IT sector and possible changes in those macro-conditions that could take place over the next few years in the IT sector. The results of the analysis will be the basis for defining possible directions of enterprise's strategic development.

First part of the analysis – a macro-environment analysis maps legal, social and technological aspects of enterprise's functioning within the sector, with particular consideration of economic premises of economic growth in relation to the country situation and sectors linked to the analysed sector.

Second part of the analysis – an analysis of sector and its development prospects, which consists of a description of company's functioning in its closest environment. At this stage IT sector competitive environment analysis, Porter's method (Graph 1), should be performed.

Threat of new entrants

• High threat of new entries
• Low entry barriers
• High interest of foreign

**Bargaining power
of main suppliers**

• Average suppliers'
strength, mainly as a
consequence of
increasing impact of IT
specialists and experts

Industry rivalry

• Significant No. of
competitors
• High market
dispersion
•Consolidation within

**Bargaining power of
main customers**

• No threats from
customer bargaining
power, in the future
will increase mainly
from institutional

Threat of substitutes

• No threat of current
and future substitutes

Graph. 1. Example of competition model in IT sector in Poland (own elaboration).

Next step involves defining economic path of Polish IT sector development. At this stage an analysis of strategic groups map in Polish IT sector should be executed. This stage should take into account sector specificity as IT company client. The final part of the article summarises the level of attractiveness of the sector and specifies key factors for industry success.

The effect of sector analysis is an evaluation of sector's attractiveness and its development perspectives (future threats and opportunities), as well as indication of the most evolving segments of this market.

Competitiveness does not create itself spontaneously and automatically as a result of changes in macro and microenvironment, nor it is the sole result of entrepreneurship, but it is a result of the actions of many actors of socio-economic development [Grzebyk M., Kryński Z., s.9].

In order to survive and maintain their position in the market, enterprises need to be able to predict and accurately assess their situation, that is their ability to operate effectively and to develop in an ever-changing environment, as well as continuously make decisions determining:

the manner, form, pace of implementation, scope, depth and complexity of structural changes .
[Grzebyk M., Kryński Z., s.9].

Next competitive potential and development opportunities of the subsidiary, which leads to identifying its strengths and weaknesses, should be defined. At this stage the first step is to perform a strategic analysis of subsidiary's current position in the following areas:

- sales,
- marketing,
- legal situation.

Based on the above competitive profile and model, as well as subsidiary's position in Polish IT sector is defined.

A competitive enterprise must be characterised by internal ability and flexibility to adapt to changing operating conditions and must obtain concrete benefits from this process. The modern concept of creating competitive advantage places a special emphasis on the need to skilfully use the acquired knowledge and resources [Grzebyk M., Kryński Z., s.10].

The framework for the company's fundamental decisions regarding its development and future-oriented activities aimed at ensuring the company's long-term effectiveness is defined next.

A rational analysis of the current situation and future opportunities and threats in combination with the analysis of strengths and weaknesses of the company leads to determining the direction of the company's development, formulating the strategy of action and determining the measures necessary to implement this strategy.

Defining the company's development direction will require finding answers to the following questions:

In what market and what products / services should be offered? (An assessment of the current product and market portfolio of the company should be made here, it requires consideration whether to abandon unattractive products / markets and define new areas of the company's operations). The markets, their priorities and the range of products should be determined. The descriptions should include points regarding the mission, strategy and schedule.

It is important to distinguish those features of products / services and market behaviours that will ensure a clear and lasting competitive advantage (unique offer, quality, price, niche market). It should be shown how it is possible to achieve the main strategic goals. At this point it is necessary to determine, if the strategic potential of the company allows development. Obtaining the answers to the above questions will allow to determine the direction of organisational changes necessary for the effective implementation of the adopted strategy and guidelines for the creation of functional strategies.

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2. POSITION OF AN IT ENTERPRISE

Every enterprise, wanting not only to survive in a modern and very competitive environment, but also to effectively develop, is forced to make constant changes. These include implementing new systems in organisation, management and marketing, as well as using improved manufacturing technologies and implementing new products or significantly modifying already existing products. Due to such measures, a company may better meet the ever faster changing buyers' needs, and also build a superior position against other competitors [Cieślińska M., Kowrygo B., s.3].

Sales of an IT enterprise

Assuming that the company was established to provide IT services mainly for the needs of the capital group, as well as for other entities not related to the capital group, the company might offer the following products or services on the Polish IT market:

- sales of IT products: computers, printers, accessories and components, network products, software,
- preparation and implementation of projects in the areas of: LAN / WAN, internet services and other,
- IT consulting,
- construction and development of IT systems,
- current operation of IT systems.

Concentration mainly on one client (parent company) means that the majority of the subsidiary's revenues will be realised on the market, where the parent company and other entities of the capital group operate.

Enterprise marketing

Market research conducted by specialised institutions shows that the relatively high profitability is ensured by activities carried out in the sphere of IT services, software development and outsourcing. On the other hand, low profitability is connected with the distribution and sale of computer hardware. This dependence suggests that highly skilled labour and employee creativity may be highly profitable in the IT sector.

Considering the above, the enterprise should look for new technical solutions and specialised IT services, which should be a flagship product that gives the possibility to compete in the external market of services (outside the capital group) of the company.

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The marketing activity of the company should be focused mainly on the sale of products and services, both in the internal and external market. It includes:

- preparation of material titled "Information about the company" and a price list for IT products,
- sending information materials to enterprises,
- preparation for participation in trade fairs,
- advertising in specialised press of offered products and IT solutions,
- development of materials for the website and active participation in its design,
- placing the company's offer on the commercial information and phone books of PKT and Panorama Firm,
- monitoring of needs and active service of previously acquired clients,
- market research in terms of new computer products and their prices,
- preparation of promotional materials.

These actions will result in a systematic increase in orders from external customers, however, due to strong competition, this increase will not be very fast.

Evaluation of the legal status of an IT enterprise

In the presented situation, the founding act of the subsidiary should oblige it to provide IT services, in particular:

- operating and investment services for computer systems for data processing and transmission,
- cooperation with industry companies in the field of planning, development and implementation of IT systems,

and it should be guaranteed in the company's regulating documentation there should be included a guarantee to provide service and products to the parent company, regardless of the scope of the tasks, with high priority and that they be provided first and before an external client.

The subsidiary's business could be:

- management of large IT projects,
- maintenance and administration of large IT systems,
- provision of operational and maintenance services related to the current operation of IT systems,
- sale of IT equipment, software and IT services.

In this legal setting of the company (capital outsourcing), work for the parent company should be performed based on long-term cooperation agreements and ad hoc contracts.

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The subsidiary's organisation set up should be aligned with current and planned activity and based on:

- Organizational Regulations of the Company,
- Work Regulations,
- Circulation and document control.

The subsidiary should employ highly qualified specialists, including IT specialists, who are familiar with problems related to the industry, implementation employees and specialists for service work. The basic technical staff should be well educated in the field of popular information technologies.

3. IT ENTERPRISE MISSION

The developed strategy "Development of services based on new technologies" assumes that the subsidiary's mission will be:
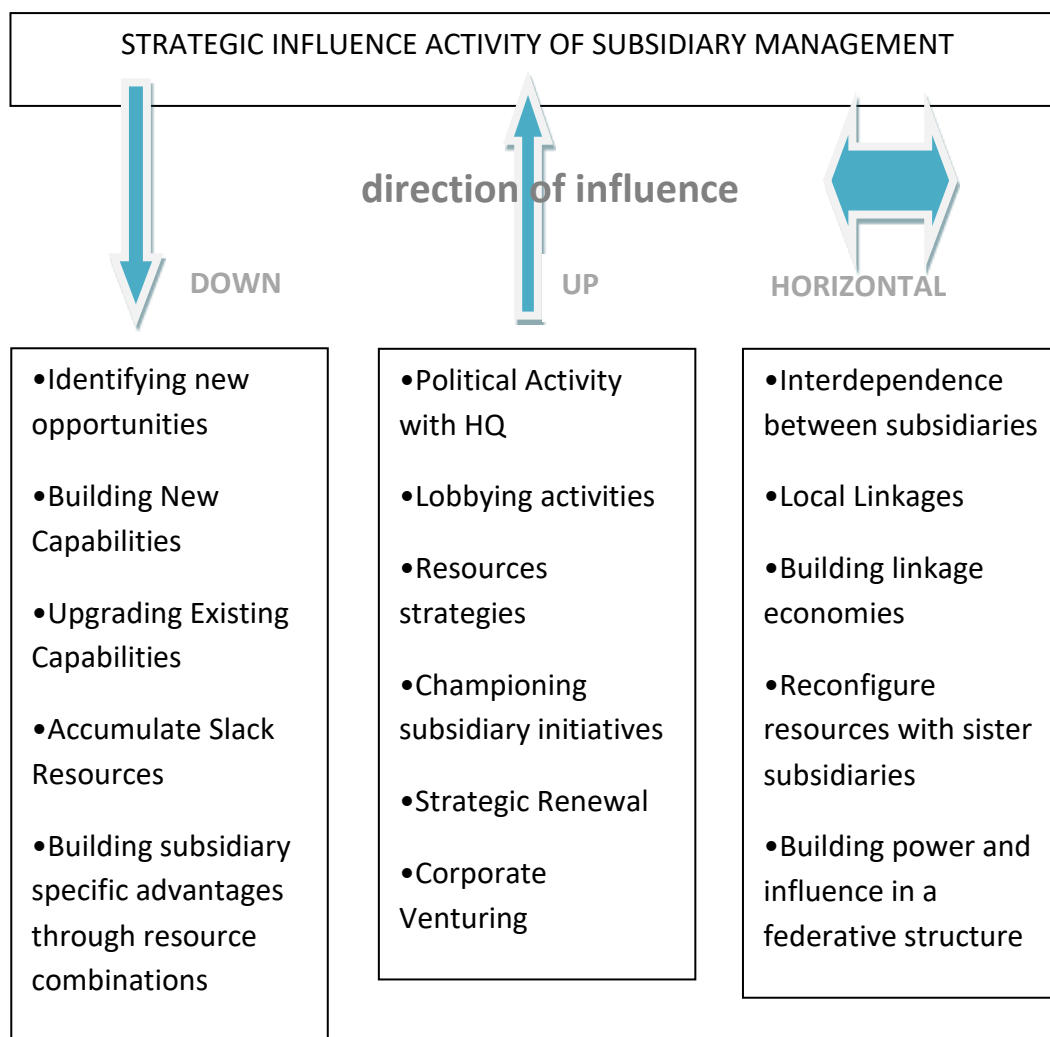
It will become the leader in the internal market in providing the highest quality IT services for the capital group by mastering new skills and technologies as the system integrator and in the external market as a significant provider of IT services.

4. IT ENTERPRISE STRATEGY

Generally formulated strategy:

"Development of services based on new technologies"

The goal of the proposed strategy is to make the company an entity capable of meeting market requirements and to actively participate in the implementation of the strategic goals of the capital group through providing specialised IT services and IT resources management. The interaction between the parent company and the subsidiary is summarised in the graph below (Graph 2).

| STRATEGIC INFLUENCE ACTIVITY OF SUBSIDIARY MANAGEMENT |

direction of influence

DOWN UP HORIZONTAL

| •Identifying new opportunities | •Political Activity with HQ | •Interdependence between subsidiaries |

•Building New Capabilities

•Lobbying activities

•Local Linkages

•Upgrading Existing Capabilities

•Resources strategies

•Building linkage economies

•Accumulate Slack Resources

•Championing subsidiary initiatives

•Reconfigure resources with sister subsidiaries

•Building subsidiary specific advantages through resource combinations

•Strategic Renewal

•Corporate Venturing

•Building power and influence in a federative structure

Graph. 2. Subsidiary interaction streams with a Capital Group (own evaluation based on O'Brien).

Simultaneously, the company's marketing activities should develop dynamically. In the mutual effort of the company and the capital group, activities should be conducted aimed at partnering the relationship between the recipient and the service provider.

The need to face competition requires the company to acquire new skills and acquire new technologies.

Skills in this area are:

(a) in marketing:

- the ability to adapt the offer to the most dynamic market with a high degree of specialisation,

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- acquisition of commercially and technologically useful information, its analysis to determine opportunities, and based on this, planning to solve the problem of customers by improving or creating new products.

(b) new technologies related to the company's working methods to meet the tasks resulting mainly from the needs of the capital group in the field of:

- development and implementation, in a limited time, of projects with high quality requirements.

Taking into account the development prospects of the IT market in Poland, the company's mastering of highly specialised IT services will allow it to take a privileged position among its competitors, who in the future will be forced to change their service portfolio due to changes in the market structure.

Changes in many technologies cause an increase in demand for complex, cover all IT products. At the same time, the existing tendency to negotiate and sign long-term contracts, including not only the creation of an IT system but also its service, is developing.

The development of the market, the emergence of newer technologies and products means that an intensified competitive battle in the IT sector has been observed. In general, the situation inside the sector should be assessed positively.

Summing up the analysis of the attractiveness of the sector using the Porter method, one should point to clear development opportunities related to the size of the market, positive dynamics of its growth, gradually forming competition structure, lack of threat from substitutes.

The threat is the high threat of new competitors emerging, the shortage of qualified employees and the growing bargaining power of the recipients in the future.

It is to be expected that in the future the attractiveness of the sector will remain at a similar level, although the attractiveness of some of its segments (subsectors) such as systems integration and outsourcing will certainly increase.

It should also be noted that the dynamic development of the IT sector in Poland would require enormous capital expenditures, and Polish companies, even from the best developing sectors - clients of the IT industry have limited resources.

In the IT sector in Poland, the chances of overcoming the risks prevail, but in the future the attractiveness will decrease as a result of limiting the growth rate and greater competitive struggle in the IT market.

Activity in the sector of more advanced information technologies (such as: outsourcing, software development, full system integration) seems to be a business with quite high and stable income. It results from the system of dependence of entry / exit barriers. High barriers to entry
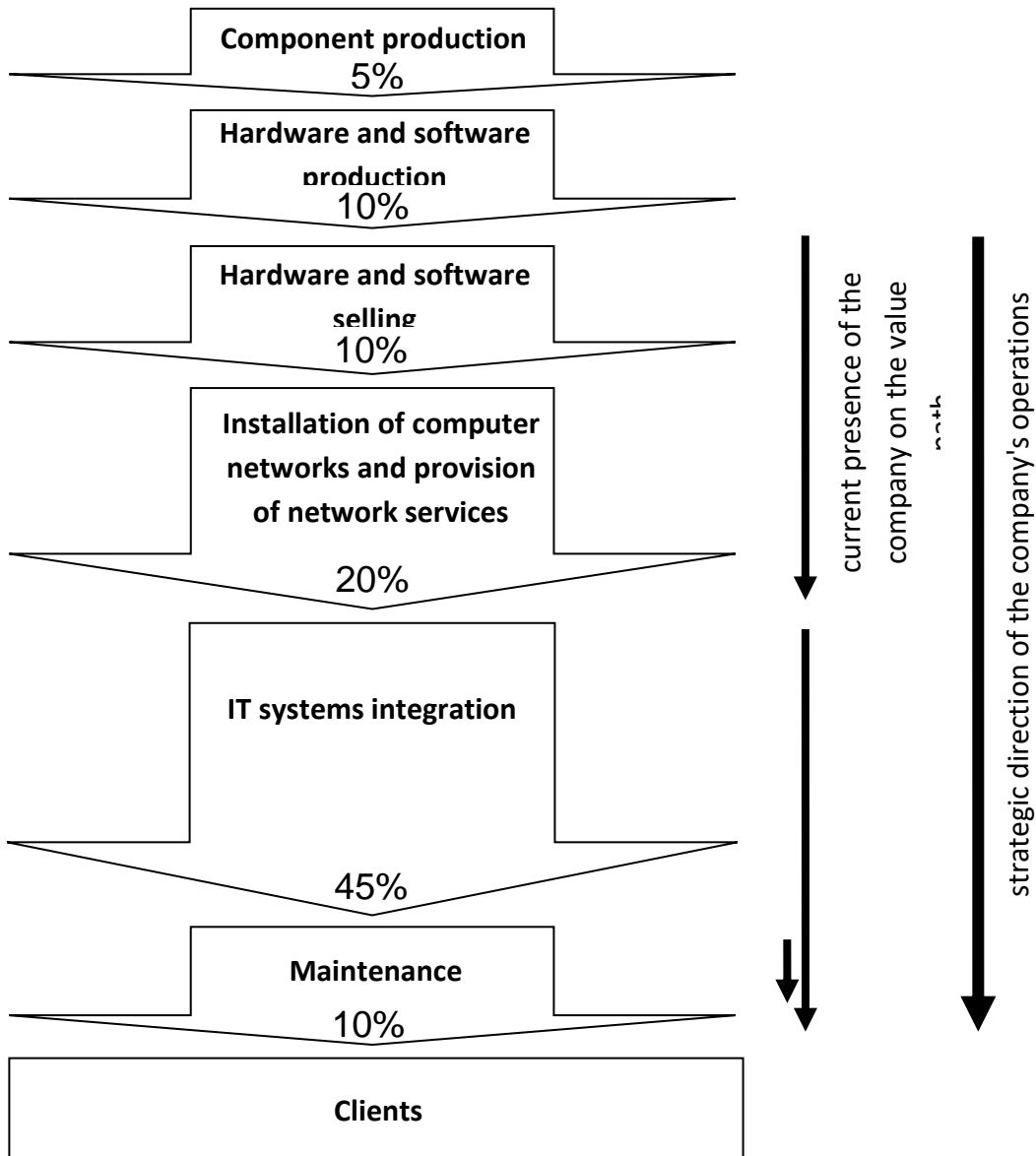
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into these segments of the IT sector protect the market against numerous participants, which gives a fairly high rate of return on investment, while low exit costs do not threaten potential losses in the future should one be withdrawn from business.

The value path scheme shows that the largest profits, in this sector, can be achieved by integrating information systems, at which stage the value of the product increases by about 45%. The installation of computer networks and the provision of network services alone, although still attractive, gives only about 20% increase in the value of the product. The last link of this economic path - the maintenance service also gives an increase in value of around 10%. The integrator company can provide full customer service starting from the recognition of its actual needs (both present and future), designing the IT system, installing and implementing it, and conducting full service of the system consisting of system administration and provision of maintenance and consulting services in the field of effective and reliable use of an already existing system.

Thus, the integrator company locates itself in several parts of this path, including both computer network installation, system integration and maintenance service, that is all links with the highest added value on this path, together consuming approx. 85% of the value added generated on this path.

Of course, the integrator does not have to do all the tasks on its own.

Trends in the market indicate that currently clients (enterprises and other organisations) opting for computerisation are looking for companies that declare to provide a comprehensive solution including solution design, hardware and software delivery, network installation, system integration, and training. Therefore, they are looking for an integrator company operating on the principle of a "general contractor" who is even able to participate in the organisation of project financing. The target domain of activity and the company's place on the value path are presented in graph 3.

Component production
5%

Hardware and software
production
10%

Hardware and software
selling
10%

Installation of computer
networks and provision
of network services
20%

IT systems integration

45%

Maintenance
10%

Clients

current presence of the company on the value path

strategic direction of the company's operations

Graph. 3. Value path scheme for IT integrator company (own evaluation)

4.1. Strategic positioning of IT company within the sector

Market success in both, long and short term, is equated with favourable competitive position and achieving competitive advantage [Grabowska M., Wartość rynkowa...].

In order to determine the strategic position and find possible advantages of the company, the behaviour of IT companies in Poland was analysed with the use of maps of strategic groups. Criteria were chosen that were decisive in determining where the company is facing competitors and what it needs to do to get a more advantageous position on competitors. The conclusions from the analysis carried out during the strategy development are listed below.

The following five criteria pair have been selected:

1) number of segments (degree of integration) or geographical coverage,

The term number of segments is understood as the scope in which the company has mastered individual levels of the economic path, and the geographical scope of the company's operation is to indicate its potential and the ability to expand the market.

The area of greatest benefits is determined by the full range of services and the national coverage.

The company should be on the verge of access to the most attractive part of the sector, only a quick action towards expanding the scope of services for a limited group of clients will help maintain its current position. The internal clients of the capital and external groups were selected as the target group of clients.

2) access to capital or the degree of mastering modern technologies,

The company should be on the edge of security, reasonably good access to capital should guarantee the progress in the use of new technologies.

The company should aim to obtain new employees as quickly as possible and to train some of the existing employees in the field of IT tools and project management methodologies to enter the external market with a more modern service that is system integration and operational supervision over systems.

3) number of segments (integration degree) or scope of customer profiling,

The scope of customer profiling examines the degree of specialisation of enterprises in servicing specific groups of clients. This criterion indicates market niches that may be a place of safe operation.

The company should strive for an attractive niche geared towards customer service related to the parent company's industry. In order to take advantage of this position resulting from the knowledge of the parent company sector, the company should expand its range of services and create its own products, at the same time try to search for clients in this sector by offering cover all solutions in the area of information technology.

4) the potential to create new products or the degree of mastery of the "tender procedure",

The company is outside the benefit area if we look at the map as the entire sector, the company should have an adequate level of mastery of the tender procedure, thus obtaining a lasting opportunity to service the capital group.

The company should acquire new skills, both technical and tender proceeding skills, while trying to maintain a privileged position in tenders organised by the capital group by offering favourable pricing conditions, high satisfaction of service and service quality, and above average loyalty as a supplier to the capital group.

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It should be emphasised that the capital group can follow all aspects of the subsidiary's operations, which provides the capital group with high security of effective performance of the services by the subsidiary.

5) organisation learning speed / range of customer service.

For companies external to the capital group, there is a fundamental barrier to access to the area of greatest benefits. Existing long-term "cooperation" agreements between the capital group and the subsidiary are some kind of protection of the interests of both parties. Maintaining this barrier depends on the level of satisfaction of the capital group from the level of services provided by the company. The subsidiary must put a lot of emphasis on raising the service level of the companies of the capital group.

Analysis of the above maps of strategic groups shows that in every system, the company is not in the area of competitive advantages.

In any case, the company is in a good position to enter the area after taking appropriate actions. At the same time, the company should use its knowledge of the industry, which allowed it to find itself in the area of competitive advantage on the map the organisation's speed of learning / industry customer service capability and go beyond the service of the companies of the capital group offering its services to other entities of this market.

The integration of Poland with the European Union and NATO necessitates the accelerated adaptation of many systems to the standards and requirements of these organisations since entering these unions and for the years to come. In the field of IT, the effects of general, dominating tendencies resulting from integration should be aligned with the directions chosen by the company.

5. STRATEGIC GOALS AND TASKS OF AN IT COMPANY

The basic goals of an IT company are:
- becoming a leader in the provision of IT services for the companies of the capital group,
- striving to achieve the level of service quality in the highest satisfaction of clients,
- becoming a significant provider of IT services,
- achieving the proportion of revenues from the internal market (companies of the capital group) to the external market as 70/30.

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When developing the company's strategy, in addition to the aforementioned analyses, it is necessary to take into account the needs formulated by the main recipient of the services, which were formulated in theses to the company's strategy.

The company's basic tasks may be formulated as follows:

A. organise a company to be market oriented with a strong marketing team able to ensure the identification and use of opportunities,

through maintaining, within the company structure, mechanisms that ensure collection, analysis and development of information, creating and improving products that meet the needs of companies of the capital group and external customers in a way that guarantees them satisfaction, and for the company – an appropriate remuneration

B. to acquire new technologies for the work of a company enabling it to become a coordinator and then an integrator of IT systems,

by mastering modern project management methods, educating or acquiring appropriate employees, which will create the possibility of effective project management and offering clients a comprehensive service of their IT needs.

C. by participating in the implementation of strategic tasks of the companies of the capital group, maintain and expand the existing scope of services provided, ensuring the constant increase of their quality,

by providing hardware and software, consulting for end users, administering and operating supervision at the satisfying level for the capital group companies and offering new services that can meet the expectations of companies of the capital group (in such fields as finance and accounting, integrated IT systems for business management, information management) in the field of:

a. handling IT systems (off-line) of the capital group companies,

　i. by defining needs, supporting external companies in the integration of existing applications, modernisation and admission to administration, as well as operation of equipment and systems implemented and developed.

b. assistance in the implementation of a management system for companies of the capital group;

　i. by identifying the actual needs (both present and future), managing the design of the IT system, assistance in the selection of the supplier, support for implementation, and providing full service of the system consisting of system administration and provision of maintenance and consulting services in the

effective and reliable use of an already functioning system. The goal is to create a system that integrates users in one environment according to the needs, priorities and entitlements.

c. ensuring IT security for the companies of the capital group;

    i. through participation in the development of foundations for and implementation of security procedures for the administration and use of systems, the introduction of software and hardware security, including document workflow, archiving and access structures to systems and data, technical and software network security, workstations and servers against unauthorised access.

d. creating an access system for companies of the capital group built on the basis of the existing group work system,

    i. through the implementation of recognised and tested technologies, group work tools, implementation of the system throughout the capital group, providing training in the office and providing secure access to shared corporate resources, ensuring the unification of applications, reducing the frequent need to replace equipment and upgrades, and thus the reduction of TCO costs, combined with the electronic document flow, the creation of a comprehensive office service system.

e. modernising LAN/WAN networks,

    i. by examining user needs, designing changes in structure by changing user needs, changing configuration, security, required bandwidth, managing the structure and ensuring network security by ensuring network segmentation according to the importance of systems and accepted security levels.

f. optimising the use of IT equipment of companies of the capital group,

    i. by providing hardware and software suitable for the implementation of statutory tasks of users, compatible in the entire capital group, and coming from qualified suppliers.

D. develop internet technologies through:

a. construction of dynamic websites (integration of web servers with database servers),

b. undertaking activities in e-commerce and e-business technologies,

c. building the Authorization Centre for electronic signature.

E. provide consulting services through:

a. designing IT structures,

b. suggesting IT solutions as part of long-term contracts,

c. selection of equipment and type of software suitable to the type of a client,

d. offering systems and services related to the electronic flow of documents,

e. continuation of so called "development" services.

F. go to the external market with the offer of highly advanced technology

by actively competing to place itself on the external market as a system integrator, offering to examine needs, develop a project, select solutions, implement and supervise operations. Mainly due to new skills and technologies, offering comprehensive services guaranteeing customers a satisfying ratio between technological quality, service quality and price as well as deadlines;

G. systematically increase external revenues so as to achieve a 70/30 ratio of internal revenues (companies of the capital group) to external revenues within a few years

by developing external commercial activity, including tracking changes to the market, participating in tenders and building the company's image in line with the mission.

H. set up in-house team of programmers supporting the implementation of new projects or modernisation of already implemented IT systems

which would create a significant opportunity for active and full administrative coverage of applications layer, especially IT systems being implemented or already implemented in the companies of the capital group, as well as for creating proprietary software solutions in the field of internet and database services.

I. execute active marketing activities

by conducting advertising activities aimed at creating a favourable company image and increasing sales of IT products and services, developing information and promotional materials combined with their wide distribution, active participation in industry fairs (organising the presentation of services provided), launching mechanisms to monitor customer needs and collect from them information on the quality of services provided by the company, conducting market research aimed at determining the demand for new IT products.

The analysis of the environment and the company's diagnosis give grounds for stating that, using the proposed methods, the IT company is able to implement the strategy despite the risk resulting from the expansive approach to the problem of incorporation of new technologies and methods of operation. The company's advantage, besides the determination of management and crew, is participation in the capital group. This gives the company the chance to operate in a

well-known environment, and at the same time, the company may be a significant source of material benefits for the capital group resulting from a preferential system of prices applied to the capital group.

The company, as the only IT company, can guarantee the capital group assurance of the continuity of IT security. It also provides the capital group with certainty, through ownership links, of full supervision over cooperation security, which cannot be ensured by any other external company in relation to the capital group.

The company in a useful scope may use foreign resources in the form of technology, obtaining among others certificates of reputable foreign suppliers such as:

- Supporting Microsoft Windows NT 4.0 – Core and Enterprise Technologies,
- Supporting Microsoft Windows Terminal Server 4.0,
- Supporting Microsoft Cluster Server,
- Citrix Certified Administrator (CCA) for MetaFrame 1.8,
- CTX – 302.2 MetaFrame Administration
- IBM Polska authorisation,
- Hewlett-Packard authorisation,
- DELL COMPUTER POLAND authorisation,
- Oracle authorisation,
- RSA authorisation.

6. BENEFITS FROM THE IMPLEMENTATION OF THE PROPOSED DEVELOPMENT STRATEGY OF AN IT COMPANY

Each proposed development strategy results in expectations of benefits for the owner, the management board, the company's staff. The expected benefits are presented below:

Benefits to Owners

1. Increase in the value (book and market) of the company within a few years,
2. Obtaining by companies of the capital group the highest, at the international level, standard of handling IT needs in the field of modernisation and development of IT systems at very competitive prices,
3. Uninterrupted participation in ensuring IT security for companies of the capital group.

Benefits to Management

1. Obtaining by the IT company a stable market base,
2. Obtaining by the IT company an image of a company operating in the market of most modern technologies.

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Benefits to Employees

1. Obtaining employment stability.

2. Increase of personal income.

3. Opportunity to raise professional qualifications.

6.1. Threats to the implementation of the strategy

The most important sources of threats for the IT company may turn out to be:

A. **The specificity of the industry**, especially the very fast technological and market changes make planning, in periods longer than two years, possible only in relation to defining directions, not for technologies, tools or products. The implementation of the strategy should be reviewed and modified over time.

B. **Lack of consistency in the implementation of changes** (discontinuation of the project after incurring part of the expenditure and their qualification as lost costs) may cause the company's finances to collapse.

C. During the period of investing and gaining experience it is necessary **to observe and optimise the implemented procedures of cost control and implementation of tasks**. Improperly functioning monitoring may lead to the collapse of the entire program.

D. **Implementation of the strategy should be accepted** by all parties participating in the process (owner, management board, crew). Lack of cooperation and homogeneous understanding of changes by either party may seriously delay or prevent the expected effects.

E. **Lack of implementation of a motivational remuneration system for the company's employees** related to the economic situation of the company, the results of individual employees, and more precisely the size of their contribution to the company's success.

As part of activities aiming to identify and manage the economic risk, the company should take the following actions:

- implement company management mechanisms, including a system for setting goals, as well as a system for the division and supervision of the implementation of tasks (both current and medium- and long-term, which result from the strategy adopted by the company),

- implement a mechanism directly related to the system of goal setting and task division – planning, investment management and budgeting of the company's operations systems (the latter system should cover all company's departments as well as the tasks carried out by it),

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- appoint a special task force for risk management.

7. SUMMARY

Nowadays, in the conditions of a complex, changeable and discontinuous environment, effective organisation management should be strategic management. Strategic management requires building organisational strategy [Demecki W., Zukowski P., s.82].

The subsidiary's strategy should include:

- mission,

- strategic goals,

- tasks to achieve goals.

The strategy ensures transformation of an IT company into a full-fledged market game entity that provides the owner and the main recipient of services with favourable pricing, quality and an unmatched level of cooperation security. The company, acting according to market rules, using modern tools, having a good market, which is made up of external companies as well as companies within the capital group, will increase its market value through meeting the expectations of the owner in this area.

Detailed answers to the sensitivity issues of specific solutions can be presented after executing the business plan of the IT company. It will also allow to formulate a precise program to control the implementation of the strategy implementation.

One of the most important elements of the strategy is to build and continuously improve the planning and control system of the tasks performed. The company should strive to develop and implement an electronic document circulation system as well as an incentive remuneration system. The latter is an indispensable element of the system of planning and controlling the implementation of tasks.

Due to the above, the company, having well-functioning management tools, will be able to fully coordinate its business activities.

Because the company operates in a specific industry characterised by a very high rate of changes taking place, the course of the strategy implementation should be monitored annually. As part of this process, the level of implementation of individual tasks is assessed, and the strategy is modified depending on the directions of technological changes and expectations of the company's clients.

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