

THE BCS PROFESSIONAL EXAMINATIONS
Diploma

April 2006

EXAMINERS' REPORT

Service Management

General

It is pleasing to report that the pass rate for this module has continued to rise and this year 78% of candidates obtained a pass. The average mark achieved by all those that attempted the paper has increased slightly and demonstrates that an increasing number of candidates appear to have taken note of the advice given by examiners, in their report for 2004, and are now better prepared. Unfortunately however some candidates obtain around 20% of the available mark for each question they attempt.

Question 1

1. You are the IT manager of a medium sized finance company based in a large city. You have been warned that a period of severe weather is likely to cause flooding, some loss of power supplies and disruption to travel over the next week.
 - a) Describe FOUR checks that you would make on your disaster recovery plan in advance of the severe weather. Please state any assumptions you make about the infrastructure, the company and the city. **(20 marks)**
 - b) Write an email that will be sent to all company staff reminding them about the role of the disaster recovery plan. **(5 marks)**

Answer Pointers

This topic should be applicable to any IT manager world-wide.

- a)
 - The plans are already in place - the question is about testing the key aspects which meet the scenario.
 - Check that equipment in vulnerable areas is protected from flooding - check power supplies are isolated as appropriate.
 - Check UPS and standby generator. Are generator fuel supplies adequate?
 - Can staff get to work? Are hotel rooms available and booked? Are food and water available?
 - Are telecomms etc. protected? Are external supplies multiple routed? Are alternative (mobile?) forms of communication available?
- b)
 - Answer should be written in e-mail format
 - In non-technical but informative style and content
 - E-mail should not be alarmist - but should aid preparation.

Examiner's Comments

A number of candidates answered this question with a description of how to develop a disaster recovery plan. This is clearly not what the question asked and these candidates scored very poorly as a result – only gaining credit for material directly relevant to the question. Candidates should ensure that they read the question carefully and provide the answer which has been requested.

Question 2

2. a) Through the use of TWO examples, clearly describe how the innovative management of Information Technology can provide an organization with a competitive advantage. (12 marks)
- b) The implementation of an Information System within an organization can produce opportunities or threats. Provide ONE example when the implementation of an Information System can lead to an opportunity and ONE example when it can lead to a threat. (13 marks)

Answer Pointers

a) Examples similar to those below are expected. (6 marks for each example)

(i) Citibank was the first mover with ATMs in the USA. The bank obtained a competitive advantage as it enabled customers to withdraw cash twenty-four hours a day, rather than just during bank opening times. By the time other banks had replicated Citibank's initiative, Citibank had started to use its ATM infrastructure to keep ahead of the competition by offering other services (e.g. pay bills, top up mobile phones) over its ATM network

(ii) Information Technology helps DELL keep its prices lower than their competitors. DELL offers customers the facility to order and customize their orders on-line, thus leapfrogging the retailer and reducing the number of staff required to process customer orders.

b) Through the use of an example the candidate must demonstrate how an opportunity could arise. Such opportunities could include increase in efficiency, increase in market share, improved customer service, cost reduction. (6 marks for opportunity).

Through the use of an example the candidate must demonstrate how a threat could arise. Such threats could include staff rejection of the system, poor planning, failure to make the required organizational changes, abdication of responsibilities by some senior business managers. (7 marks for threat).

Examiner's Comments

Section (a) was answered very well by the majority of respondents. In a small minority of cases, marks were lost by not providing examples.

b) This part of the question was well answered by the majority of respondents. Candidates showed a good understanding of how opportunities can be obtained and how poorly conceived and/or badly designed/implemented systems can threaten an organization.

Question 3

3. a) Describe the procurement process you would follow when seeking to purchase one hundred new PCs for your company. (12 marks)
- b) Write a brief document which will be sent to vendors interested in supplying the PCs. This document should describe the criteria which the PCs must meet in order to be suitable for your purposes. (13 marks)

Answer Pointers

- a)
- The procurement process will reflect the background of the candidate.
 - Process should be complete - with start and end points clearly defined.
 - Process should be ethically sound.
 - Process should ensure that the right equipment is purchased to meet the requirement at a price that can be afforded by the company.

- b)
- This should be a formally structured document.
 - It should contain all the information the recipient needs in order to make an informed bid.
 - It should include the key points regarding the nature of the bid - including how the recipient communicates with the company and receives information on success or failure.

Up to 3 marks were awarded for the format and layout of the answer. Up to 10 marks were awarded for the criteria supplied by the candidate.

Examiner's Comments

In a few cases, candidates provided only a set of technical descriptions in answer to this question. A plain list of processor types, disk capacities and memory sizes could form a useful addition to the procurement document – but it does not of itself provide an adequate answer. The question refers to the overall process – and the answer must include all the appropriate elements if it is to score highly.

Question 4

4. a) Decision Support Systems (DSS) vary greatly, but all share specific features. Typically a DSS is made up of three components i.e. data management, model management and user interface management. Through the use of an example, demonstrate the function of EACH component. (15 marks)
- b) One of the primary functions of a Management Information System is to provide information for use in decision making. Identify the essential differences between a Management Information System and a Decision Support System. (10 marks)

Answer Pointers

a) Examples will vary. This is an example using a pc manufacturer called Micrex.

Data management: The data management component of the DSS stores Micrex's customer and product information. Micrex also requires external information such as competitor products, industry and style trend information, and this information is also stored in the data management component. (5 marks)

Model management: The DSS needs to contain models for information analysis. The models have been designed to provide information (based on various scenarios) that decision makers require to plan product lines and inventory levels. (5 marks)

User interface management: A well designed user interface enables Micrex's decision makers to access information and specify the models they need to help create the information in the format they require. (5 marks)

b) A Decision Support System (DSS) is an interactive information system that helps make decisions in semi-structured and unstructured situations, where nobody knows exactly how the decision should be made. The approach includes the use of models and user designed methods for analyzing data as well as formulating and evaluating alternative decisions. This approach emerged due to dissatisfaction associated with the rigidity of Management Information Systems (i.e. take what you are given). Management Information Systems provide, in the main, predefined reports for management without providing the ability to carry out data analysis and evaluation.

Examiner's Comments

a) Most respondents successfully demonstrated the function of each component. However, a minority of respondents failed to obtain good marks as they did not, as requested, provide examples.

b) The majority of respondents successfully identified the differences between a Management Information System and a Decision Support System.

Question 5

5. You are the IT manager of a small engineering company. All but one of the four departments in the company use electronic mail to pass urgent manufacturing information. The remaining department insists on using facsimile (fax) messaging as it "fully meets the business need". The Managing Director is convinced that the department using fax messages is slowing down the operation of the whole company. He has asked you to convince the department to move to email.

- a) Write a memo to the relevant department head introducing yourself and offering THREE advantages for the use of email rather than fax. **(13 marks)**
- b) Create THREE "slides" which you would use in a presentation to the staff of the department. The title of the presentation is: "How email can make us more successful". **(12 marks)**

Answer Pointers

a)

- You have a service which you are trying to sell to a potential customer. Aside from the individual department, there are benefits to the whole company if you succeed.
- You need to demonstrate an understanding of the needs of the department. Especially why there is a resistance to the use of e-mail. It could be that the department lacks the experience to manage the introduction of the service and needs carefully targeted help.
- Advantages could include - ease of forwarding information in an editable form, better quality of document preparation, use of colour in documents, higher speed of transmission of documents.

Up to 4 marks awarded for the style and format of the memorandum. Up to 3 marks awarded for each of three advantages proposed by the candidate – this depended on how appropriate and applicable the proposals were.

b)

- Presentations using OHP / LCD projector slides are a fact of business life. It is important that candidates can demonstrate that they are confident in this area.
- The slides should be simple, uncluttered and readable.
- A common theme and style should be present in all the slides.
- The material should be unambiguous.

Up to 4 marks were awarded for each of three slides developed by the candidate.

Examiner's Comments

The aim of this question was to allow candidates to demonstrate how they would convey technical benefits to customers in a business context. A few candidates chose to "prove" their case by using highly negative tactics – which are unlikely to be successful in a work environment. Those candidates who demonstrated strong influencing skills and the ability to put their case clearly scored highly in this question.

Question 6

6. a) You are the group IT director of a multinational sportswear organization that sells products into many markets around the world. The newly appointed group sales director has asked you to provide him with a system that will collect data from various internal transaction processing systems and from various external systems. Immediately you realize that his needs may be met by an executive information system (EIS). Describe FOUR features of an EIS that you think will convince the group sales director that an EIS may well meet his needs. **(16 marks)**
- b) You have been appointed the project manager of a systems development project within your organization. One of your first tasks is to provide senior management with a breakdown of the project costs. The costs are to be grouped into:
- i) development costs, ii) capital costs and iii) operational costs.

Provide THREE examples of each type of cost.

(9 marks)

Answer Pointers

a)

(i) The EIS will provide summary information to enable monitoring of sales performance in each of the markets the company operates. Typically, this will be achieved by the group sales director specifying **his** information needs via **his** "critical success factors" and "key performance indicators". The information will be displayed in pictorial form, such as graphs and traffic lights, alerting the group sales director to deviations from specified limits.

(ii) The EIS will have a "drill down" feature. This will enable the group sales director explore in-depth, the reasons why specified limits have been exceeded. e.g. why a particular market is under performing by "drilling down" to see which region(s) is (are) responsible.

(iii) The EIS will provide user-friendly analysis tools that will include "what if" type analysis features.

(iv) The EIS will integrate information from a wide variety of information sources (both internal and external).

The EIS will be designed in accordance with the information needs of the group sales director. It will be intuitive, easy to learn and easy to use. All emphasizing the personal touch.

b)

(i) Development costs: Programming man-days. Training (user & IT staff). Opportunity costs.

(ii) Capital costs: Hardware. Communications (hardware elements). Database.

(iii) Operational costs: Software enhancements. Hardware maintenance. Rental charge of dedicated communications lines

Examiner's Comments

a) The majority of candidates who selected this question described four features of an EIS, but of those only 40% then linked the features to the needs of the group sales director.

b) This part of the question was clearly understood by all candidates and most had sufficient knowledge to provide adequate answers.