



Challenges facing the ATKV to succeed within the context of a global information community

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1 Introduction

The fast pace of change often means that people take it for granted that certain industries and companies will disappear from the scene, simply because of a general perception that 'time has run out' for these organizations. Every company is confronted regularly with factors that threaten its viability. It depends greatly on management to change the threats into opportunities and assure the company's survival.

The fast development pace of communication technologies changed the world almost overnight into an interactive community that is generally referred to as the 'global village'. This new world that is being created offers many opportunities for companies with an ability to transform and adapt to the changing world. Some examples of opportunities that arise from the development of the world-wide information community is as follows:

'The Internet Economy supported an additional 600 000 jobs in the first half of 2000, according to the University of Texas' Centre for Research in Electronic Commerce (University of Texas 2002). The Internet Economy now directly supports 3,088 million workers, more than the insurance, and real estate industries. These figures – the Internet Economy Revenues Indicator (tm) (IERI), the Internet Economy Jobs Indicator (tm) (IEJI), and the growth rate – are the principal findings of fourth report on measuring the Internet Economy commissioned by Cisco Systems' (University of Texas 2002).

To trade successfully within the context of a world-wide information community, Afrikaans cultural organizations, with special reference to the ATKV (the Afrikaans language and cultural association), require several adaptations. These adjustments should be considered based on the following:

- The changes that are required in the strategic planning process of cultural organizations;
- determining an appropriate management philosophy; and
- the information systems that management will require.

The objective of the research was to illustrate how an enterprise should go about to prepare for a future global information society. The ATKV was used as an example. The methodology followed was to identify gaps within the ATKV and prepare a transformation strategy, aiming at narrowing the gaps or to phase them out using appropriate management techniques. This should assure the ATKV's successful survival and viability within the context of a global information community.

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2 Characteristics of the global information community

The global information community leads to integrated functionalities like trade, crime prevention, medical services, information services, etc. across country borders. It also causes increasing interdependency between countries. Some of the challenges, that would be relevant to the ATKV's future business design, include:

- Creating awareness of the new 'shape' that work will assume. New technologies will lead to more flexibility that will increase productivity and competitiveness.
- Make sure smaller businesses see the inherent opportunities within the new information community, because this may give them a competitive advantage. Smaller businesses can react quicker to change.
- Existing organizations must innovate in terms of marketing channels, production processes, management systems and employee skills.
- The effective management of transformation processes.

The transformation to a more integrated global information community seems inevitable, but the tempo depends greatly on the following:

- Establishing a digital communication infrastructure that globally connects companies and communities;
- increased accessibility to this communication infrastructure (e.g. Internet), for people and companies; and
- affordability of technologies relating to this communication infrastructure.

These limitations are being addressed increasingly and solutions are being put in place. It seems that companies cannot escape from this transformation. It is anticipated that the ATKV's business environment will change drastically from the existing environment. The following aspects need particular and in-depth attention to prepare a transformation strategy:

- The ATKV's niche market, its needs and geographic distribution;
- communication options for internal and external use; and
- employee skills.

Accordingly the ATKV has to address several business processes in view of the changing environment. A few will be considered in this article.

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3 Evaluation of the strategic management process, management philosophy and information system needs

If the ATKV were to function within the context of a global information community, the strategic management process, management philosophy and information system needs must be analysed and compared with the needs. Identified voids must be identified to allow a management strategy to phase out these gaps, using a transformation strategy to do so.

3.1 Strategic management process

Introduction

Strategic management plays an ever more important role in business enterprises. If an enterprise wishes to ensure its viability, it should have the ability to do the following:

- Compete to such a degree within the existing frame of reference, to allow sufficient needs satisfaction within the community; or
- establish an alternative competitive framework, relative to other competitors, to create more beneficial circumstances for the enterprise to satisfy needs of the community within this framework.

An enterprise's survival depends on its ability to satisfy a community's needs despite conflicting influences. Strategic management may be an indispensable tool to interpret those needs continuously and position the enterprise accordingly.

Gaps relating to the strategic process

Table 1 highlights some differences between the ATKV's existing strategic process and a comparison with a possible future scenario that may develop within the context of a global information community.

Table 1 Possible future scenario

Description	Current characteristics	Characteristics: global information community
1 Characteristics and duration of cycle	<p>*Business plans, objectives and measuring achievements are set down and remain static for an entire year.</p> <p>*Strategies focus primarily on repeating existing activities.</p> <p>*The cycle lasts about nine months.</p>	<p>*Strategies are revised constantly and the required adjustments implemented continuously.</p> <p>*A more significant focus on the change and contingency component of the business plan.</p> <p>*The cycle for preparing the 'business as usual' portion of the business</p>

		plan is reduced to a single month. A dynamic process may be established, taking into account the change and contingency plan. This may reduce the cycle drastically.
2 Niche market	<p>*Afrikaans-speaking people in South Africa.</p> <p>* Traditionally recruited from within Spoornet/Transnet and the post office.</p> <p>*Member benefits focused on historical needs, e.g. death fund benefit.</p>	<p>*Afrikaans-speaking people throughout the world.</p> <p>*Niche market develops from three groups of Afrikaners, based on recent market research and includes the global tourism market.</p> <p>*New membership benefits need to be developed based on the new niche market's needs.</p>
3 Communication channels	<p>*Own magazine (Taalgenoot) mailed monthly to members.</p> <p>*Communication with chapters is largely via regional offices, newsletters and personal visits.</p>	<p>*Magazine may be made available via the Internet.</p> <p>*Communication bulletins sent to chapters and members using e-mail and the Internet.</p>
4 Focus of projects	<p>*80% of cultural projects are focused on school-age children</p>	<p>*Establish cultural ties with members in other countries and establish involvement with international cultural projects (e.g. Ukkasie)</p>

From the above it seems that gaps were identified in just about each sphere of the strategic planning process. The gaps relate to the process itself, and this may be addressed through internal management action. The positioning aspects relating to niche market needs may be addressed effectively using information and technological tools.

3.2 Management philosophy

Introduction

The management philosophy and resultant management processes to be put in place are aimed at the execution of plans of actions, set out in the strategic plan. Effective management processes include the following:

- Decision-making processes that include clear role definition and delegated powers;
- control of internal operational processes; and

- reporting on achieving objectives.

The challenge for the association is to establish an appropriate management process that will be efficient within the context and functioning environment.

Management process within the ATKV

The ATKV developed as a member organization in the 1930s. This meant that the basic management philosophy and structures developed to serve member interests and modern corporate management practices were developed fairly recently. As the ATKV developed from within the erstwhile South African Railways, members to the organization's board were elected from members of the SAR until the 1980s. The result was that the management processes within the ATKV developed from management models that were common in government and parastatal organizations at the time. This heritage is still visible within the organization and the following may be considered characteristics of this situation:

- A significant measure of centralized decision making;
- board committees handling operational monitoring; and
- a reactive reporting policy, including deviation reports.

Management principles applicable to a global information community

Bourchiki and Kimberley (2001) indicated differences between the management framework of the 19th, 20th and 21st centuries. Table 2 below briefly highlights these.

Table 2 Comparing the management framework of three centuries

Individual's demands for flexibility	Low	High
Organization's needs for flexibility	19th century management *Responsiveness to neither customers nor people *Manufacturing-driven organization	
Low	High 20th century management *Responsiveness to customers *Market-driven organization	21st century management *Responsiveness to customers and people *Customized workplace

From Table 2 it seems clear that companies' management processes need to show increasing sensitivity for community needs, as well as individual needs of members of staff. It necessarily implies that management needs to realise that role players from beyond the company (e.g. pressure groups relating to the environment) also become part of the company's decision-making process. In addition, employees' unique circumstances (e.g. disabilities and single parenthood) will have to be taken into account to a much larger degree. This would require an established policy, infrastructure and facilities in the work environment. It is becoming more and more important for management to refrain from making isolated decisions and to realize that the context of the organization's functioning

within the broader community may have a more significant effect on the decision-making process.

Gaps relating to the management process

Table 3 highlights some differences between the ATKV's current management process and a comparison with possible future scenarios that may develop within the context of a global information community.

Table 3 Comparison between current and future ATKV management processes

Description	Current characteristics	Characteristics: global information community
1 Management structure and characteristics	<ul style="list-style-type: none"> *Board committees determine standards for functional and operational business processes. *Significant measure of hierarchial decision-making (top to bottom). *High frequency of meetings ('manage by meetings'). *Deviation from objectives and reasons for the deviations dominate reporting and is mainly reactive in nature. 	<ul style="list-style-type: none"> *Delegate responsibilities for operational and functional process management decisions to members of staff. *Make 'expert employees' part of strategic management process *Reduce number of meetings and use technology (e.g. e-mail and video conferences). *Reporting focuses on opportunities and market needs, is future oriented and stimulates pro-active action.
2 Role players' input in terms of decision making	<ul style="list-style-type: none"> *Members' preferences and historical sentiments dictate the company's strategic focuses. *Internal preferences and subjective interpretation of needs play a significant role to determine company focuses. 	<ul style="list-style-type: none"> *Client/niche market needs dictate strategic focuses. *A more significant awareness of the external environment's claims is taken into consideration before making decisions. *The effects of the statutory environment (e.g. ATKV's tax exemption that falls away) will have a significant impact on investment decisions.
3 Communication channels	<ul style="list-style-type: none"> *Mainly via line structure (hierarchy). *Forums used rely mainly on meetings structure. 	<ul style="list-style-type: none"> *Free flow of information and more significant accessibility to company information systems by employees and external

		<p>role players.</p> <p>*Technology-driven communication (e.g. video conferences) and phasing out meetings.</p>
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From the above it seems that the most important adjustment will relate to the frequency of meetings, the people to be involved in the decision-making process and the increased utilization of technology to increase productivity and efficiency of the management processes.

3.3 Information system needs

Introduction

Successful management action largely depends on the relevant and reliable information available to management at the time of the decision. Jenster (1987:102) refers to this as follows: 'The main challenge confronting managers is the identification, selection and monitoring of information which is related to the strategic performance of the company. Also the right information requested and communicated by managers will help shape the way in which other members of the organization define their tasks, interpret the firm's strategy, and determine what is important and what is not.'

Owing to the information revolution, many enterprises use information as a powerful weapon. If enterprises do not manage information strategically, they may find that other enterprises that do pose a serious threat. Ward (1987:19) also points out the importance of establishing the information strategy as an integral business strategy. Before a supporting information strategy can secure a competitive advantage for the enterprise, it must be established as part of the strategic management process.

Characteristics of the ATKV's information system abilities

The ATKV has an appropriate communication infrastructure and systems are classified for corporate and user applications. The ATKV's systems are mainly functionally separate systems, with basic integration levels. Information is exchanged electronically between the respective operational entities.

Information needs in a global information community

Management depends largely on reliable information systems to ensure dynamic management action. It is therefore important that the information strategy makes provision for appropriate support on all levels of decision making. This requires the prioritizing of needs as something that is absolutely indispensable. In a modern enterprise one finds mainly two categories of information systems:

- Internal information systems focus mainly on the enterprise's processes and operational activities. It provides indications of internal efficiency, productivity, application of resources, deviation from objectives, and so on.
- Strategic information systems have a wider focus than the mere internal organization, although integration with the internal information system is indispensable. Information in consolidated format on the position of operations serves as basis for the evaluation of the organization's further development.

An under-emphasis of strategic management in general causes the under-development of strategic information systems – relative to internal information systems. This poses a particular challenge for the information strategist to develop this dimension of information systems further.

Gaps relating to information systems

Table 4 highlights some differences between the ATKV's current information management process and a comparison with possible future scenarios that may develop within the context of a global information community.

Table 4 ATKV's current and possible future information needs

Description	Current characteristics	Characteristics: Global Information Community
1 Type of available information	<p>*Information focuses on internal processes and limited information about client preferences is available.</p> <p>*Comprehensive information available on expenses, while inadequate information is available on income generation.</p> <p>*Decisions are based mainly on internal information with relatively little use of external information systems.</p>	<p>*More significant focus on potential of current niche market and client preferences within the niche market.</p> <p>*More focus on income reporting and potential for expansion, relative to reporting on expenditure.</p> <p>*Increase accessibility to external information sources and conclude agreements with suppliers of information services to obtain information relevant to the company.</p> <p>*Develop specialist systems for using the analysis of scenarios in the decision-making processes.</p>
2 Database structure	<p>*According to functional needs of respective operational entities.</p>	<p>*Integrate systems to improve support functional business process and strategic decision-making processes (e.g. business process re-engineering and positioning based on market analysis).</p>
3 Internet usage	<p>*Established basic Internet representation (namely own Web site and e-mail communication).</p>	<p>*Develop new functionalities of Web site facilitating 'B2B'.</p> <p>*Utilize technologies that unlock the benefits of a</p>

	virtual work environment for employees.
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From the above it seems that the most important adjustment will relate to the integration of systems, utilization of the Internet (e.g. for clients to book accommodation) and to empower employees to work from home. In addition, access to external information sources will be expanded and integrated with specialist systems in the company to assist management with its strategic decision-making process.

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4 Conclusion

To reduce or eliminate the identified gaps, some of which are highlighted above, a formal transformation strategy is proposed. This will ensure the elimination through management in a structured way and in terms of pre-prioritization. Prioritization may take place based on the impact and risk that such a gap entails for the ATKV.

The operational environment for businesses changes radically with time and it is essential for any company to adapt to ensure survival. The timeous acceptance of a transformation strategy to adapt the company is essential to manage the transformation risks of the process.

To transform the ATKV for success within the context of a global information community will require various processes within the company to realise a metamorphosis and it would be essential to obtain a commitment to do so on all levels. This necessarily assumes a short-to medium-term sacrifice from all involved, but the necessary changes will probably ensure the long-term viability of the company.

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