

LEVEL 7 ASSESSMENT SPECIFICATION

Student name:	Chiang Chun Wah	Student ID number:	2119645
Programme:	MBA		
Module:	Change & Stability Management		
Module code:	HKBM7015	Contribution to Overall Module Assessment (%):	25%
Lecturer:	Dr. Joe Leung	Internal Verifier:	Dr. Poon Che Cheong
Assignment Title:	IT Architecture Change	Word count (or equivalent):	8-10 minutes (maximum)
Submission deadline:	3 April 2022	Return date of provisional marks & written feedback:	2 May 2022
Submission method:	All written assessments, where practical and possible, must be submitted via Turnitin unless otherwise instructed by the Lecturer. (Please DO NOT put this assessment specification into Turnitin or it will match many similarities with other students' submissions.) Alternative submission method (if applicable): Late submission of the assessment will result in a late penalty mark. Penalties for late submission: Up to one week late, maximum mark of 50%. Over one week late, 0%. Only the Extenuating Circumstances Panel may approve a change to submission dates.		
Academic honesty/ referencing:	Academic honesty is required. In the main body of your submission you must give credit to authors on whose research and ideas your work is based. Append to your submission a reference list that indicates the books, articles, etc. that you have used, cited or quoted in order to complete this assessment.		

HKBM7015 – Assignment 1

(IT Architecture Change)

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Agenda

- Introduction
- Company Background
 - Issues of Company
 - Changes for Company
- Change Management Models
 - Management Challenges
 - Measure the effectiveness
- Conclusion

Introduction

Digital Transformation - companies have changed their business processes using digital technology.

Why do they need “change”?

- Improves efficiency and delivers better customer experiences
- To adapt to the changing business environment,
 - ❖ By Globalization
 - ❖ By Technology
 - ❖ By Customer Behaviour

Introduction (Cont'd)

Significantly, technology influences customer behavior in this digital age and customer behavior is driving the technology to grow.

The general trend of society is pushing companies toward digitalization and catering to customer behavior through technology. Otherwise, they will be eliminated.

- The goal is to keep a business and make a company survive and growth

Company Background

Industrial and Commercial Bank of China (Asia) Limited (ICBCA)

- Licensed bank in Hong Kong, and the bank is the oversea business of ICBC, the largest traditional commercial bank in China. (icbcasia, no date)
- Business includes commercial, retail, investment banking, financial services, and the global market. (icbcasia, no date)
- To facilitate its business, the company was starting to change its business processes using digital technology in recent years.

Company Background (Cont'd)

Business Strategies

- Leverage digital technologies (e.g., AI, Robotic, etc.) to initial new or modify existing business processes to deliver better customer value.
- Strengthen data analysis capability (e.g., big data) for global market business.

Issues of Company

- The management allows too much complacency on current IT facilities and architectures.
- It has a potentially high risk of violating the regulations if the changes are not handled well enough.
- The new entrants (virtual banks) have advantages because they have built up their operations and architectures on the latest technologies and platforms.



Changes for Company

- A part of IT architectures could be migrated from an on-premises platform to a cloud platform to enhance digitalization readiness.
- The hybrid architectures (on-premises + cloud) will be proposed to cater to traditional systems and cloud computing systems.

Change Management Models

- To implement changes smoothly, planning and structuring the whole project is essential.
- Two change management models are introduced, and one model will be selected for this change.
 1. Kotter's 8 Step Change Model
 2. McKinsey 7-S Change Model

Change Management Models (Cont'd)

Kotter's 8 Step Change Model

- John P. Kotter developed this model when working as a Harvard Business School professor. It was presented in his book “Leading Change”. (Kotter, 2012)
- The roadmap is easy to follow.
- Clearly outlines each stage and company should be done to keep a change on track.
- It involves initiating, managing, sustaining change in eight steps. (Denis, 2021)

Change Management Models (Cont'd)

Kotter's 8-Step Change Model



Implement & Sustain



Engage & Enable
the Organization



Create Climate
for Change



Change Management Models (Cont'd)

McKinsey 7-S Change Model

- McKinsey consultants Robert Waterman and Tom Peters developed this model in 1980. (Bhatti, 2011)
- It is a tool used by organizations to analyze changes in the organization's internal status.
- It recognizes 7 elements of the organization that should work together for effective change management.
- These 7 elements are divided into two categories: hard and soft elements.

Change Management Models (Cont'd)

McKinsey 7-S Change Model

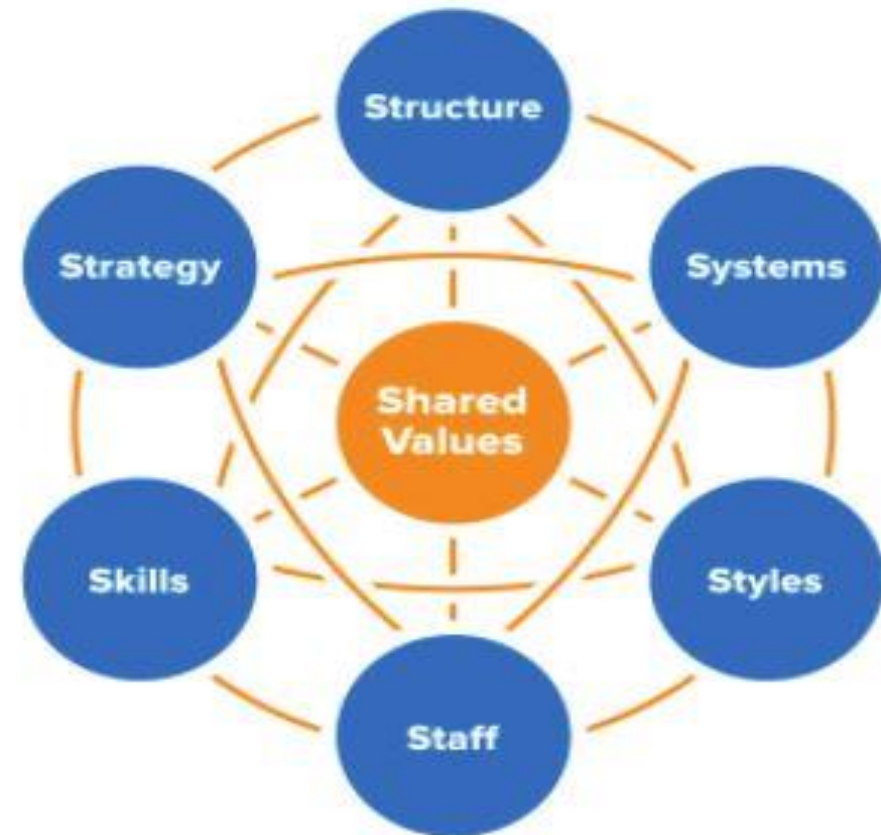
Hard elements:

- Strategy
- Structure
- Systems

Soft elements:

- Style
- Staff
- Skills
- Shared values

(McKinsey 7-S
framework, no
date)



Source: https://www.mindtools.com/pages/article/newSTR_91.htm

Change Management Models (Cont'd)

ICBCA's Internal Environment		Kotter's 8 Step Model	McKinsey 7-S Model	Benefit Model
Company Scale	Enterprise	Fit for Enterprise Company.	All company size	McKinsey 7-S Model
Company Culture	Hierarchy (Control)	It is a top-down model.	Different key parts of company work together	Kotter's 8 Step Model
Leadership Style	Directive			
Change Scale	Organization Change	Most often for large scale change.	Use for assessing the effects of future changes in company.	Kotter's 8 Step Model
Company Structure	Bureaucracy	Clear outlines, fit for traditional structure.	All company structure	Kotter's 8 Step Model
Staff behavioral	Willing to learn with detail instructions	It provides the steps clearly to guide you the change process.	Requires the company to do some research and benchmarking.	Kotter's 8 Step Model

Change Management Models (Cont'd)

According to the company's internal environment and culture, **Kotter's 8 Step Change Model** is more fit and will be recommended for ICBCA's change project.

Management Challenges

From external,

- Economic growth or change (e.g., Digital Currency Electronic Payment - DCEP)

From internal,

- Employee resistance because the change will trigger the restructure.
- Reskill and upskill employees

From industry,

- Regulation for the Bank.

Measure the Effectiveness

For short term measurements,

- The phases of the change plan are completed in planned time frames.
- Majority of employees are willing to change after communication and training.

For Long term measurements,

- Cloud structure is go-live without violating the regulation.
- Technologies change readiness.
- Business change readiness.

Conclusion

Change is permanent and inevitable in each company, ICBCA is no exception.

ICBCA is an enterprise company in the banking industry. There are different restriction, workflow, legal and compliance processes in the company. So, the change timeframe may be over a year or longer, even the scale of change is modular transformation. The sense of change should predate the formation trend in society and catch up with the movement. Otherwise, the company will be phased out.

Change - the only way to keep going forward for ICBCA and keep the business surviving!!

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