

### 5.0 CONCLUSIONS

The study has shown the importance of IS planning for an organization such as Bank Rakyat. An ad-hoc project planning is insufficient to ensure strategic values from IS investment. Without a consistent IS planning an organization may embark upon expensive activities that do not significantly contribute to meeting its business goals (Robson, 1997). IS planning will enable organization to manage its valuable IS resources effectively, to exploit opportunities and to avoid costly system failures. The paper analyze the IS problems faced by Bank Rakyat and provide suggestions for future IS planning. Table 5.1 summarizes the related findings, the alternatives, and recommendations made in the study.

Bank Rakyat focus on retail banking requires IS to cater the high volume of on-line transactions processing. The current IS was unable to cater to this need and was seen as their main operational problem. The strategic impact analysis further highlighted the Bank dependency on IS to support its daily operations. However, immediate measure has been taken by the Bank to improve the situation in the on-going project. The project is also aimed to prepare the Bank for the Y2K problems, the Internet banking, database marketing, and the E-commerce. It is important and imperative for the Bank to complete the project on schedule to tackle these immediate problems. The project implementation should be closely monitored and managed by the new IS organizational structure in order to achieve this goal.

The IS problems were partly contributed by the Bank's over dependency on its vendors in the current systems. Bank Rakyat should consider its IS human resource needs to overcome the problem as a long term measure. However, for the immediate term the Bank should manage its outsourcing effectively by using service level agreement (SLA) and multiple vendors to create competitions. It will

help to avoid over dependency on the vendors and to ensure quality deliveries. The study concluded that the sudden change of direction from traditional conventional banking to Islamic banking had caused major problems to the Bank. They could have avoided these predicament by incorporating its business plan into its IS planning. The issue of IS location was also discussed to provide the most appropriate setting for the Bank to support its business objectives. Centralization is recommended based on its IS needs and limited resources.

**Table 5.1 The Analysis and Recommendations**

<b>Analysis</b>	<b>Alternatives</b>	<b>Recommendation</b>
High transactions volume	Office Automation Stand alone Integrated Manual	Integrated on-line IS IRBS
Not Y2K compliance	Repair / Upgrade Change	Change
Over dependency on vendor	In-house SLA Multiple vendors	Multiple vendors & SLA
Major Corporate changes	Avoid change IS Plan	IS Plan
IS location / architecture	Centralise Decentralise	Centralise
System development	System life cycle Prototyping Application software End user Outsourcing	Outsourcing Application software
Project management	CEO Steering committee Project manager Consultant	IS project structure
IS resource management	Ad hoc Project plan IS planning	IS planning

In term of system development, outsourcing and application software are considered the more viable approaches in view of the current capabilities. These approaches however require proper management and implementation. The new IS project structure should be able to handle the task and ensure smooth implementation of the current project. IS resource management requires comprehensive planning to avoid costly failures and to ensure strategic benefits from IS investment.

Bank Kerjasama Rakyat (M) Berhad has the vision, the strength, and the opportunity to leap into the next millenium. However, the Bank has to start viewing IS as a strategic tools instead of just a technology enabler in achieving their business goals. This is because IS can play a bigger and significant roles in determining the future of the organization. The Bank cannot afford to be complacent and dependent on its current uniqueness forever. The Bank needs to evaluate its current IS objectives and capabilities to plan its short term and long term IS investments. Its future planning should also consider and incorporate the possibility of adopting emerging technologies such as the e-commerce and Internet banking. These consideration will not only provide the direction of the IS investment but to avoid the high opportunity cost.

It is hoped that this paper will help the organization and other researcher in understanding the needs for proper IS planning. Further research should be carried out to expand the understanding in this area of IS.