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IT strategy as a service - A service developed to meet a new customer demand and digital market changes

A case study on consultancy service development

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Abstract

As companies today face rapid digital developments and changes in customer demand, the need and ability to respond quickly to market changes is critical. The traditional way of working with IT strategies with updates possibly each year are becoming an out dated approach as it put the company in risk working towards goal that no longer are accurate. This puts pressure on companies to work with real time IT strategy to function more as an adaptive business. Continuing, how to actually work with IT strategic issues in a digitalized era seem to be challenging for CIOs/ IT managers. From these challenges, this study aims to investigate the need for an ongoing IT strategic consultancy service, an area within service development that has not yet received much attention. A case study at an IT strategy consultancy firm has been adopted and semi-structured interviews with 16 CIOs/IT managers as well as 5 interviews with consultants was conducted.

The result of the interviews with CIOs/ IT managers shows that there is a need for an ongoing IT strategic consultancy service. Based on their need, IT strategy as a service has been developed aimed to help companies with IT strategic issues and opportunities. To meet company specific needs, which findings showed varies between CIOs/ IT managers, the content of the service is divided in to a base and variable service. The base is structured as a continuous ongoing service on identified demand where the variable section offers add on services when specific need arises.

The service is built on a high degree of trust and a close relationship to bring the outmost value for both parties. It is of importance that there are clear boundaries between the two parties as this will set the base for future collaboration. One aim of the service is to, in the long run, ease up customer boundaries thus creating more opportunities for IT strategy as a service to be integrated in the normal businesses. Due to the ongoing IT strategy as a service the payment model is preferably set up as a subscription which can be customized depending on the customers' preference.

The new service will have implications on the consultancy firm such as organizing new processes for the new service. The implications will arise more clearly as the service will expand to more users, hence developing a process where coordinating multiple accounts simultaneously and utilizing demanded knowledge and expertise among the consultants is important.

Key words: Digitalization, flexibility, real time business, IT strategy, consultancy service development, an ongoing IT strategic consultancy service.

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List of definitions

Digitization: Conversion of analog information in any form to digital form with suitable electronic devices so that the information can be processed, stored and transmitted through digital circuits, equipment and networks.

Digitalization: Integration of digital technologies into everyday life by the digitization of everything that can be digitized.

IT strategy consultancy firm: A consultancy firm which specialize in the area of IT strategy development and management. Today a common focus area is the alignment of the IT strategy with the business strategy and future goals.

IT strategy: IT strategy is the discipline that defines how information technology will be used to help businesses win their chosen business context. It is a strategy developed for information technological solutions to develop, manage and/or support the firm.

IT strategy as a Service: A new consultancy service where an IT strategy consultancy firm delivers services within IT strategic issues depending on customer demand.

Abbreviations

CIO: Chief Information Officer

Consultancy firm: IT strategy consultancy firm

IT: Information Technology

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1 Introduction

The introduction provides the reader with a general view of the area of research and explains the most prominent readings and discussions within the field of study, as well as deeper explanations of the factors connected to the subject. In the problematization section, the topicality of the problem is further explained. This is followed by the purpose of the study, and a statement of the questions of research. The chapter ends with a presentation of the limitations and a clarification of the thesis' structure.

1.1 Background

One of the most consistent patterns in business is the failure of leading companies to stay at the top of their industries when technologies or markets change (Bower & Christensens, 1995). In 1985, Porter & Millar wrote about the revolution of information technology (IT) and how it is impossible to predict. They stated that technology is transforming the nature of products, processes, companies, industries and even competition itself. (Porter & Millar, 1985) Bajzikova et al. (2013) describe the development of IT and how it continuously is changing business environments and companies therefore have high priority to adapt to the ever changing environment in which they operate.

According to a report conducted by EY in 2011, it is certain that the digital era is changing the world. The progress of digitalization is far from linear and the acceleration of technology development and of digital platforms is only a fraction of the whole pie. Digitalization in business markets encompass many trends, including the emergence of new technologies, changing customer preferences, and the advent of new competitors. This have made many organizations feel the impact of disruption across the entire value chain thus it can be seen as a force that is reshaping the entire economy. UK Ernst & Young LLP (2011) argues that it has come to a stage where it is more critical than ever before for businesses to pursue innovation to disrupt their own business models before the competition does, resulting in a fast growing demand to constantly be up to date. This means that with rapid digital changes, technical developments, new ways of competing and changes in customer demand companies are forced to respond quick to meet new demands to stay competitive. In many industries the most significant factor for driving success is the ability to develop new products quickly, efficiently and effectively (Schilling, 2013) However this increases the risk for businesses to lose control over customer relationship, the increased competition and the threat of being left behind. Continuing, EY & Tapestry Network (2015) argue that the challenge is to recognize the strategic opportunity to move forward but the difficulty for companies is if they are adapting fast enough to digitalization compared to competitors and knowing how to respond. Directors from the different industries understand that standing still is not an option, and by not moving quickly enough carries significant risks to the company.

Despite numerous of challenges with digitalization, the opportunities are booming. Bajzikova et al. (2013) state that the strongest incentives for being fast and flexible towards changing market conditions is by using digital changes and technical developments to its business

advantage. Furthermore, digitization is providing customer a path to information and open communication, replicating the physical world onto the digital. It is fundamentally changing the way consumers engage with businesses. Moreover, the need to engage digitally is big and the range of actors to do this with is broadening. No longer is it only the business-to-consumer that want collaboration and sharing of knowledge online, the expectations on business-to-business is growing which offer new levels of supplier relationship and supplier operations. (UK Ernst & Young LLP, 2011)

1.1.1 The current state of IT strategies

Companies today are facing numerous of issues with the linkage between business and IT, a necessary link enabling digital transformation among many companies. Successful digital products, processes and services starts by deciding the future state of each processes without regarding the current constraints. In the current fast changing business environment, there is such need for aligned IT strategies to manage changes in the market. (Broadbent & Kitzis, 2005) However, IT strategy and its execution is challenging and it will continue to be so in the future. What is creating long term differentiation from other firms is how business and IT executives, managers and professionals work together with right capabilities, at all levels in the firm and by doing this they can develop and implement successful IT strategies to mitigate the fuse between business, IT strategy and execution. (ibid) McDonald (2012) state that IT strategies will demand closer and continuous alignment with all departments to succeed in today's business environment and according to EY (2011) most companies understand the need to respond and adapt to the evolving use of technology and market changes but the struggle is to realize how little time they have to address these changes. From today's rapid digital developments, IT strategies will continue to expand but also digital strategies will increase in importance as a way to fuse digitalization with business objectives (McDonald, 2012).

1.1.2 The disruption of consultancy industry

Consultancy firms play an increasingly important role in the diffusion of knowledge between market players in today's economy (Roberts et al., 2000; Howells, 2010). The decision to buy consultancy service is not primarily determined by the price factor but also strategic factors such as accessing highly skilled and knowledgeable people and remaining competitive. To keep in tune with market demand, consultancies are constantly involved in 'new concept development'. Therefore, the knowledge consultants seek to deliver concepts that are strategically both in the short term and in the long term. (Heusinkveld et al., 2009) However, increasingly unpredictable markets and its continuously changing conditions are challenging consultancy firms to manage suitable consultancy services and develop accurate strategies. This has resulted in, strategies and tactics that used to be successful in past market conditions are no longer suitable. This reality puts pressure on consultancy firms to possess strategies that are more up to date and can respond in real time to market changes. (Bouno et al., 2011)

Management consultancy's fundamental business model has not developed dramatically over numerous of decades However, the same force that disrupted many other businesses, from

steel to publishing, are now starting to disrupt the world of consultancy. Just as normal businesses are facing new competition with new business models, it is also happening in the consultancy industry where new non-traditional business models are gaining acceptance both in terms of content, pricing and delivery. Customers also demands more speed, responsiveness and control of market changes. (Christensen et al., 2013) To meet this, consultancy firms seek to increase customer satisfaction by designing services to better match client expectations and preferences (Momparler et al., 2015). Continuing, consultancy firms are bound to adapt to changing environments to be efficient. In a business environment where digitalization is shifting the market rapidly, creates a need to stay flexible and agile, both internally within the organization as well as externally towards customers. (Momparler et al., 2015) To appropriately structure the consultancy work and give strategic advice for customers are even more challenging in rapidly evolving industries (Bouno, 2011). Heusinkveld et al. (2009) argue that service development is not just an internal process, but requires a continuous contact and reaction to the market. Translating customer's demand and market changes into new concepts and services, are related to the ability to 'orchestrate' the constant interaction of elements both external and internal to the consultancy (ibid).

To succeed, consultancy firms and its consultants need to increase proactivity, innovate in their reach for client learning and development as well as to respond to real time changes. Bouno (2011) argues that traditional consultancy has become an outdated approach. This approach falls short in managing unpredictable market changes and meeting customers' future needs and expectations. (Bouno, 2011) The winners in the consultancy industry will therefore be those who understand the evolving pressure on their clients and for those that in a clear way can fulfill client's new needs. However, as disrupters march upmarket, with leaner business models and new technology, the range of problems requiring strategic solutions should shrink. (Christensen et al., 2013)

1.2 Problematization

Companies and industries are changing due to digitalization. When going beyond one or two years in a three to five year IT strategic plan, the likelihood of being aligned with the business direction is low. Firms continuously need to take in real-time information and adjust its plan to fit the surroundings, or even create the surroundings in which it wants to be successful in. There is a likelihood that this environment could make the long term IT strategic plan out dated and not accurate. Instead, it requires IT strategic plans to more often be modified and developed during the time frame in which the surroundings are rapidly changing. This is an approach and management method that is demanded and needed in today's business. (Voloudakis, 2005) Just as firm's IT strategies are challenged, so are consultancy firms' way of delivering consultancy services. Bouno (2011) argues, that the winners in the consultancy industry are those who actually understand the evolving pressure on their customers, and are those who can disrupt traditional consultancy business models. From a historically perspective, the shift of service delivered by consultancy firms have been identified from different perspectives, in terms of pricing, content and delivery. Just as the traditional delivery of strategy services has decreased from 60% to 20%, more movement will most likely occur

due to rapid market changes and the increase in demand for short term strategies (Christensen et al., 2013)

1.2.1 The case firm

To investigate the phenomena how an IT strategy consultancy firm can help companies to better meet digital changes on the market, the study will be based on a case firm. The case firm is a Swedish IT strategy consultancy firm (from now on called *consultancy firm*). Today, the consultancy firm primarily work with large companies on traditional project basis. The projects often involve IT strategy management and other IT strategic tasks. The consultancy firm has experienced changes in the demand of their services. To increase customer satisfaction in their services it is important to develop consultancy services that respond to changing markets and customer demands.

1.2.2 Service development of the case firm

Den Hertog (2010) explain a greater need for adapting services to face increased competition and better align with customer needs. It is about service development where new ideas or combinations of existing elements together constitutes an intangible new value proposition for the customer (Alam & Perry, 2002). Managing these sort of service developments are problematic, they are multidimensional and include many organizational dimensions both internally and externally of the firm. Consultancy firms need to increase customer satisfaction by designing consultancy services to better meet customer expectations and preferences as they are bound to adapt to a changing environment to be efficient. Researchers argue that today's competitive and dynamic markets, force's consultancy firms to improve their services and it is important to develop a consultancy service that is responding to customers need and changes in the market. (Roses et al., 2009) As a consultancy firm, it is therefore of high importance to develop its services offerings in the context of IT strategies, which increasingly often are required to be updated and changed. Moreover, the service delivered from a consultancy firm has to stay flexible. This raises the question if the traditional delivery of IT strategies on a 3-5 years' basis is outdated and if an agile delivery method could be an option where the IT strategy consultancy service purely is based on when and how the demand takes place. By delivering IT strategic consultancy services more agile and with a higher customized service focus, rather than on one-time basis, the consultancy firm can be able to answer to the latest customer need sprung from digitalization.

1.3 Purpose and Research question

The thesis aims to add new insights to the growing demand for working continuously with IT strategies and other IT strategic issues. Hence, the purpose of this study is to develop a framework for a consultancy firm to increase business flexibility and customer value in the IT strategy service.

In a digitalized era, how can an IT strategy consultancy firm meet changing customer demand by developing an ongoing IT strategic consultancy service?

1. What current need is there for an ongoing IT strategic consultancy service?

2. *How can a new IT strategic consultancy service be composed?*
3. *What implications does the new service have on the consultancy firm?*

1.4 Study Limitations

This study is limited to the Swedish consultancy industry and the area of IT strategy consultancy. The research question will be answered based on the perspective of an IT consultancy firm (the case firm), hence not focus on company's internal IT departments nor companies providing software applications.

1.5 Research outline

This thesis is divided in to six chapters including introduction and is structured in the following way:

Literature review

This chapter outline the previous research within digitalization, real time IT strategy, IT strategy development and the importance of being flexible in a changing business environment. It extensively cover different researchers' work within the field of partnership, subscription and in order to serve a framework for later comparison with the empirical findings.

Methodology

This chapter presents the methodological approach to concluding the case study. It explains in detail the process and techniques applied for gathering, analyzing and presenting the empirical data.

Empirical findings

This chapter presents the empirical results gathered from interviews with CIOs/ IT managers and consultants at the case firm. This include the interviewees view on digitalization, IT strategy management and their need for a new IT strategy consultancy service as well as the implications for the consultancy firm.

Analysis

This chapter relates the empirical findings with the theoretical literature review. The various findings are compared and discussed.

Conclusion

This chapter highlights and summarizes the main findings of the thesis. It gives a clear answer to the research question, discusses implications and suggest possible topics and methods for future research.

2 Literature review

This chapter aims to present an overview of previous research in multiple fields influencing the demand for an ongoing IT strategy consultancy service. In order to gain a better understanding of the subject the chapter begins with a short introduction to digitalization and continues with a wider perspective on how IT strategies are managed in real time and the increased demand for agility to respond to changes in the market. Secondly, theories about business relationship and components of a consultancy service influencing how the new service can be composed. Lastly, how the service payment model can be structured.

2.1 Current need for an ongoing IT strategy consultancy service

This section presents a wider perspective on digitalization, on how IT and IT strategies are managed in real time. It also touches upon the increased demand for agility and flexibility to respond to changes in the market.

2.1.1 Digitalization's influence on businesses

Digitalization is the integration of digital technologies into everyday life by the digitalization of everything that can be digitized. (Business Dictionary, 2016) In a world where everything is digitalized it is important for companies to stay innovative before competitors disrupt the market. Without innovation, companies will lose their competitive advantage in a more commoditized world. The time to act upon these changes is limited as technology change accelerates exponentially and new digital platforms and devices are emerging constantly. Additionally, the expectations of the new generation "digital natives" leads to companies must keep up with the pace of change or lose relevance. (EY, 2011) As a consequence, companies today face implications of digital change, in particular loss of control over customer relationship, increased competition, threat of commoditization and need to engage digitally with suppliers, partners and customers. To deal with this challenge companies need to develop digital strategies and rethink their business and operating models. Further on, companies must use digital channels to create seamless and constant engagements. (ibid)

2.1.2 Real time business

Voloudakis (2005) state that traditional strategic planning with a focus on predicting the future for some numbers of years ahead and then create a plan to meet set future fall short. Change does not wait for the start of next planning cycle, thus there is a demand for a new strategic planning process, a so called adaptive business or as Janowski (2003) from Gartner Inc. describes it "the real-time enterprise". It is about how to plan and think about the future and how to build capabilities around changes in customer demand, market dynamics, shifting technologies or other disruptive settings. It is no longer possible to assume one-to-one relationship between cause and effect. By becoming an adaptive business, it means that a firm abandon the management habit of controlling and prediction and instead develop a capability to respond to change. (Woll, 2003) Using up-to-date information businesses can mitigate or even eliminate delays in the and execution of critical processes, and achieve competitive

advantage. Working continuously with adjusting the strategy due to changes in the market is especially critical in digitalization issues. Hence having a real time IT strategy is needed to stay competitive. (Janowski, 2003)

2.1.3 Business advantages of IT

Due to business environments increasingly are characterized by rapid change, unexpected shifts and relentless competition, companies have a growing consensus to create more agile and adaptive IT architecture (Chaudhuri, 2006). The growing awareness about IT and how it is playing a larger and more important role when quickly identifying opportunities and by using these to the firm's advantage is pressuring many firms. The key behind having IT as driver for business growth is to enable and find new technologies and match these with market opportunities. With this entrepreneurial way of working and with a business strategy to differentiate the firm from others, IT becomes a key role for driving business success. (King, 2007) Continuing, Rosenberger (2014) argues that IT departments acknowledge today's pressure of delivering applications more rapidly than before and many IT organizations are confident about the delivery of this, however the lack in flexibility to modernize their processes for a higher level of IT is not substantial yet, even if some firms slowly are improving. Agility is identified as a drive for the need IT organizations have, to respond more rapidly to changing business conditions.

2.1.4 IT Strategy management

The need for real time strategy refers to all areas in the organization, specially the IT strategy. A good business strategy is not possible without an IT strategy which needs to be interlinked with each other. Technology enables business decisions, and business decisions drive technology implementation. Furthermore, IT should be a part of the business strategy. The merge of the two can create productivity and power the firm. (IBM corporation, 2003) However, development of IT strategy is complex, Morton (1988) quotes the linkage between IT with business strategy as follows "Concepts that help with strategy formulation are continually evolving and information technology itself is changing, so the impact of one on the other is indeed complex." (Morton 1988, 54-67). Voloudakis (2005) argues for different models for blending IT and strategy together. He states it is of importance as the future is defined by rapidly changing business needs and accelerating technology grows. The traditional thinking about IT strategy development need to change. Figure one represents three different approaches of how firm can work with the challenge;

Reactive approach: A business strategy is developed and IT managers develop an IT strategy that will correspond with the vision of business strategy. This often results in differences of opinion regarding areas that need prioritization between business leaders and IT leaders. (Voloudakis, 2005)

Alignment model: A business strategy is developed where IT and business leaders work together to develop an IT strategy that matches the business vision. This model is superior to

the reactive model and thus investing in IT initiatives that support the organization's goals. (Voloudakis, 2005)

Blended strategy: In this model business and IT leaders work together to both develop a business strategy by taking full advantage of technology's capabilities and by understanding its limitations. This model has many advantages over the alignment approach. IT leaders can contribute with knowledge and insight to the business strategy, both regarding current capabilities as well as new technologies in the horizon. With this approach, IT leaders can faster build new technology capabilities and expand the window of strategic opportunity available to the organization. (Voloudakis, 2005)

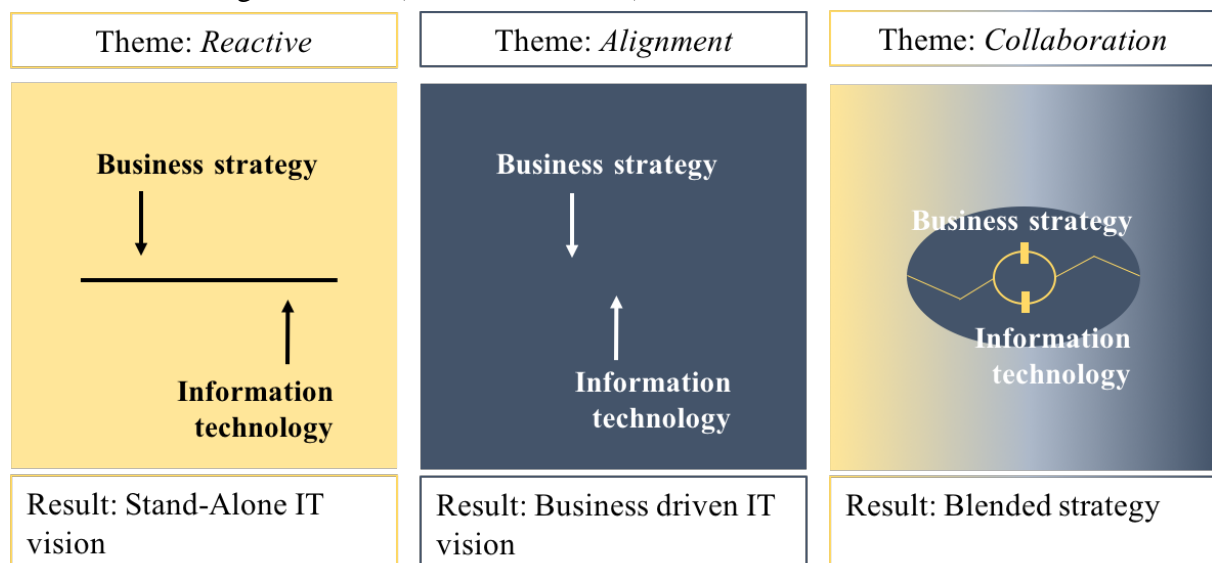


Figure 1 Intersection of business and IT strategy (Source Voloudakis, 2005)

In a study about the relationship between IT flexibility, IT-business strategic alignment and IT capability written by Jorfi et al. (2011) it is argued that IT flexibility is one of the most vital factors to help sustain the strategic alignment and to retain a firm's competitive advantage. McKay & Brockway (1989) define IT flexibility as how the IT infrastructure should be flexible to handle growing demand of customers and that it helps companies to meet crucial business changes. The link between IT infrastructure flexibility and alignment is explained by the relation between business strategy and IT strategy, as well as between IT Strategy and IT infrastructure. While business strategy is the initial starting point, it is the IT infrastructure that actually determine whether the alignment will be achieved or not. Thus, the strategic planning of a firm's information systems and its supporting technologies, called IT Strategy, is crucial for a successful firm. (Henderson & Venkatraman, 1993)

2.1.4.1 Changing time frame

Traditionally companies identify and prioritize key IT strategic goals as well as clear activities and objectives to reach each goal within the IT strategy (Yuri, 2015). Continuing, many institutions and organizations update their IT plans every two to three years, which may result in organizations work towards goals that haven't been updated for new conditions. Instead of IT planning being a periodic activity it should be a continuous process by using real

time information. (Voloudakis, 2005) Thus, IT strategic planning should not be a once-every-now-and-again activity, instead it has to be an ongoing development process by engaging leadership at all levels from top to bottom of the organization. (Keehn & Norris, 2003) It is a living plan, a continued process with great amount of user interaction, collaboration and constant feedback (Albrecht et al., 2004).

2.1.5 Agile businesses

Agility is the ability over time to respond quickly and effectively to rapid change and high uncertainty (Joroff et al., 2003). Agile organizations can more easily adapt their project portfolios due to changing business priorities. Since agile teams are experienced at delivering projects on a frequent basis, the business can respond and deliver better projects based on customer feedback. By having aligned suppliers, a firm can eliminate barriers and share long-term partnerships and goals. Performing partnerships mean more agility and flexibility by creating ad hoc businesses. Agility can enable businesses to reach higher flexibility and to adapt to each new project. Rapid decision making is a main characteristic for an agile organization. With great amount of information, right decisions need to be taken fast. It is about continuous learning, to have people who are open to new ideas and to adopt new practices. (Meredith & Francis, 2000)

2.1.6 Flexible businesses

In today's knowledge intensive era, organizations are operating in turbulent environments hence a need for new strategies that are able to adapt to turbulent environments (Sharma et al., 2010). Shifting environments result in new strategies that emerge from mergers of opportunities and threats that were not foreseen when the initial strategic plan was set (Simons, 1995). The challenge of creating strategy under increased uncertainty has encouraged design and refinement of some practices and techniques (Vecchiato, 2015b). Instead of traditional approaches, management scholars promote organizational flexibility and strategic agility (Mintzberg, 1990; Wiltbank et al., 2006). With strategic flexibility, decision-makers can more easily grasp new key components and adapt quickly when facing discontinuous drives of change as they arise (Vecchiato, 2015a). Flexibility is rising to become a main driver to improve businesses competitiveness and organizational performance. However, in the growing digitalized era, one of the challenges lies in businesses ability to acquire new knowledge and organize enormous flow of information to be able to respond, adapt and be proactive. (Sharma et al., 2010)

2.2 The composition of an ongoing IT strategy consultancy service

This section presents the different forms of relationships to attain and retain new insights. It present theories about business relationship, components of a consultancy service and how a service payment model can be structured.

2.2.1 Boundary management

Organizational boundaries are a phenomenon. For some, it is a social structure explaining an organization, which is shaping how things are done and explain the rules for the organization.

(Dutton, 1994; Kogut 2000) Others believe boundaries are the demarcation of resources owned by the business which is shaping the organization and its future growth (Helfat 1997). One other perspective of boundary management is how boundaries determine the area of organizational influence and environment control and the power of external forces (D'Aveni 2001, Santos & Eisenhardt 2005). Santos & Eisenhardt (2005) express four elements, efficiency, power, competence and identity for identification of corporate boundaries. One large aspect emerged from theory around boundary management is the element of efficiency, and its discussions about make-or-buy decisions to minimize governance costs. Outsourcing is one example that explain how corporate boundaries have changed due to the element of efficiency. Outsourcing as an enablement of cost reductions which enhance efficiency of corporate activities. (Santos & Eisenhardt 2005)

Today it is increasingly questioned how companies exploit and implement strategy of new products and new services under dynamically fluctuating environments. It is about how companies consider congruence with the environment and dynamically transform corporate boundaries to adapt to the existing or new environments. Changing environments per say change corporate boundaries and it in turn influence the individual management elements within a corporate system. Conversely, the active or passive turnaround of the individual management elements give rise to change in the corporate boundaries and thereby influence the environment. From another perspective, for a company to adapt to environmental change or influence the environment, the practitioners most deliberately modify strategies, organizations, technologies, operations, leadership and other management elements within a company and plan congruence of boundaries among these management elements. When looking at this from a practical perspective, it could be questions regarding what sort of operations or organizational structure that will realize the new targeted strategy, or what sort of technology that is needed for new products, services and business models. (Kodama, 2010) A common constraint that arise in this situations are knowledge boundaries (Kodama 2007). However, people driving innovation should not see these barriers as constraints but rather as triggers to find new knowledge and competence creation. To have network concepts crossing practitioners', knowledge boundaries can enable the creation of new business models. To strengthen a business' strategic position to gain sustainable competitive products, services and business models, a company must actively change its own structure and corporate boundaries. Different managers in different levels of businesses each display personal leadership style in response to environmental change, thus it forms the source for corporate growth and creation of competitiveness. For companies developing new positions via products, service and business models, continuous work to create new competences or transfer of knowledge between strategic partners is indeed important while simultaneously establish new competitive positions through trial and error. (Kodama, 2010)

2.2.2 A new partnership

In parallel with what Kodama (2010) argues, companies are today increasingly rethinking the fundamental ways in how to generate new ideas and insights, and how to execute on them. Many companies today do not conduct research on their own, instead get new ideas, insights and advice through other processes. (Chesbrough, 2003) To achieve greater flexibility and to

quickly respond to need and desire of customers, partnership is becoming increasingly normal in today's business environment. Partnership is a flexible solution driven by flexibility itself as well as experimentation and speed (Duysters & Man, 2003). Hence, to have a collaboration could be an effective solution of complex problems and continuous adaption to changing environments (Ehret et al., 2013).

Partnership is a joint process of co-creative discovery (Ramaswamy & Ozcan, 2013). It is an open model of a seamless integration of competencies between the parties to create greater value (Ramaswamy & Ozcan, 2013). By accounting knowledge from outside, companies can commercialize internal ideas through outside channels of their business to generate value to its organization (Chesbrough, 2003). Partnership is likely to become more critical for firm's business and operating strategies. Several organizations believe that the most dynamic ideas come from other organizations or other ecosystems and external partnership are the key to catch these innovation opportunities. The range of possible partnership is wide, from vendor or customer to trusted advisor and by investing in partnership ecosystems many new opportunities arise. By exploding the dimensions of collaborations new possibilities for dynamic interactions, spontaneous creativity and innovation will take place. (Ban & Marshall, 2013) The position a firm has in a network of partnerships between firms has become an important variable in determining the firm's ability to compete. To build the right relationships with the right partners is a key managerial challenge, and the network you are within determine the ability to control information flows, knowledge flows and financial flows. (Duysters and Man, 2003) Partnerships could be build up as a portfolio of relationships, that from a long-term perspective is building the business across different ecosystems (Ban & Marshall, 2013). When deciding upon partners in the portfolio it should be both long-term such as key strategic partners as well as short-term partnership, this is to secure different kind of resources can be gained. (Duysters and Man, 2003)

2.2.3 Co-creating value with customers

In a study conducted by Ban & Marshall (2013), from *IBM institute for Business Value*, it is investigated how executives see the technology future of corporate openness, customer individualization and innovation partnerships. These three areas have been identified as core priorities for CIOs in order to realize firm strategic goals. To create higher individualization of customer interaction more firms are integrating major changes to secure faster and more relevant responses to markets and individuals. The study shows that outperforming organizations in particular emphasize openness and that there is a demand for greater transparency as well as to open up organizations to expand collaboration, both internal and external. (Ban & Marshall, 2013) Thus, the emerging change from a traditional company-centric value creation processes that long have severed leader well is heading to a focus towards co-creation of unique value with customers. The customer itself have moved from being isolated to connected, from unaware to informed, from passive to active. By recognizing that traditional way of creating value is out-of-date, many firms dare to test new assumptions. It is about creating personalized co-creation experiences and creating value that is unique to each customer and individual. By combining blocks of transparency, risk assessment, access and dialogue, it enables companies to better engage customers as

collaborators. Experimentation and risk assessment can create new business models and functionalities rising from the co-creation experience. (Prahalad & Ramaswamy, 2004)

2.2.4 Co-creating value between consultancy and client

The relationships between consultants and clients are unique (Fincham, 1999). To deliver a successful project to the client the consultant team must obtain expertise's and knowledge in specific areas. The success of the project also depends on the client's top management team's support. These factors argue for multiple factors such as consultants' behavior and skills and client's acceptance of the multi-stage process when working with management consultants. Success is viewed widely in terms of delivery on time, completion to budget, and satisfaction of client's overall expectations. Research has shown a better result of projects when using the multi stage process. Those factors that are critical for the successful completion of management consultancy projects are competence of the consultants, consultation mode and client organization characteristics. The main role of the consultancy firm is to advise and give insights in specific issues. The responsibility for many project activities lies on the management consultant who is to redesign processes, but often overlaps between the two. To manage the development of the company and implement these activities, is often managed cross functional between the two actors. In most cases, these external consultants have both a wider and deeper perspective of the environmental complexity, due to their exposure to numerous organizations. (Fincham, 1999) Consultancy advisory are commonly used in order to assist firms in successfully promoting the change process (Appelbaum & Steed, 2005). Numerous factors, such as increasing the speed and quality of the work are reasons for using external consultancies. In this way, companies are often lead to a successful organizational change process (Appelbaum & Steed, 2005).

The relationship between the consultancy firm and the client must be built on trust to successfully work together. The role of trust in collaborative inter-firm ties, as well as in cooperative relationships, is of fundamental importance. This approach may be part of a holistic viewpoint that ties individuals and organizations in a long term relationship. (Zaheer et al., 1998) This is not surprising since organizational events (i.e. change process) are proximal causes of affective reactions (Weiss & Cropanzano, 1996), which in this case is revealed between consultants and clients. The nature of this dyadic relationship between clients and consultants has a personal perspective, which, among others, is built upon trust. (Appelbaum & Steed, 2005)

2.2.5 Required factors for delivering a service

Several factors have been identified by earlier researchers as required factors when delivering a consultancy service which will be outlined below.

2.2.5.1 *Competence of consultants*

The management consultancy firm's assets are the people. Consultancy firms sell the service of particular consultants more than only the actual service of the firm. The consultant is expected to draw experience from specific knowledge gained from similar projects.

Consultants are expected to play a variety of roles when using their knowledge, which also are the consultant's competence. Researcher state that consultants should take on five roles, experts, manager, researcher, counselor and politician. The expertise is critical in the consultancy process since the consultant is the provider of skills and knowledge. Clients expect the consultant to speak with appropriate expertise in their specialized area. The role of the manager requires certain skills to manage the assigned project. In the role of the researcher the consultant accepts the responsibility for obtaining, analyzing and interpreting data. The counselor role assist clients learning and using knowledge through formal methods take responsibility for the clients learning process. The politician role of the consultant is enacted by understanding the power of social systems and gaining their support. It is of importance that the political skills of the consultant increases as time goes and to increase the likelihood of successful work. In order for the consultant's expertise to solve the client's problem, it requires the consultant to have multiple of these skills and competences, hence the appropriate mix for the assignment. (Jang & Lee, 1998)

2.2.5.2 Consultancy capabilities

Managing consultancy projects requires a variety of modes, such as clearly defined goals, methodological capabilities, standardization of procedures, flexibility and client's participation.

Clearly defined goals

Successful and effective project management demand clearly defined goals and objectives. For the client firm to achieve specific goals another functional area may be required to sacrifice its primary goal. Continuing, organizations need to develop goals that can increase cross functional cooperation. Clearly defined goals of the management consultancy work can be used to help structure a task or facilitate cross functional operations with a shared outcome. (Jang & Lee, 1998)

Methodological compatibility

The best time to use a management consultant is when the problem ahead must be solved or advancing its compatible position will benefit from a new approach or methodology. When the client and the consultancy firm agree on achieving certain goals, the tow must agree on the means and methods and if they are consistent with the norms and values. The methodology must be perceived as non-threatening to the client organization. This is for the client organization to gain and maintain support for consultancy projects. It is therefore important to adopt a methodology that is appropriate to the particular situation of each client. (Jang & Lee, 1998)

Standardization of procedures

Standardized procedures are described as the frame of tasks. The consultancy team members are working in an unknown environment and novel tasks. This situation demands the team to have autonomy that facilitate their work ahead. Standardizing procedures for those tasks that can be predefined increases efficiency in the work. This approach enables the consultant team

to focus a greater time on new tasks that requires deeper understanding and creativity. This will establish cooperation among the client and the consultancy firm. (Jang & Lee, 1998)

Flexible workforce

Bajzikova et al. (2013) state that firms are required to have a workforce that are more flexible than before due to the increasing demand from customers, enhancing competition and forces firms to organize its business to remain flexible internally and externally. Firms that manage to keep high flexibility during times of rapid changes are the ones that survive. These firms are capable to react to the changeable requirements and flexibly adapt their organizational structures and establish flexible work regimes depending on the customer demand.

Close presence from both parties

The success of a management consultant team requires active participation of all interested parties. Often the solution of a problem from a consultancy team is most successful in combination with the capabilities of the client firm. The client that are to implement the actions have to understand what they need to do and why, otherwise they will not develop the judgment to manage it. The probability of success is depending on the collaboration between the two parties as well as physical presence in the communication. (Jang & Lee, 1998) McLachlin (1999) concluded that the customer's satisfaction with the consultancy work relies on the personal consultant that have a direct relationship with the customer rather than the consultancy firm. Professional consultants' reputation is crucial for clients to choose the consultancy firm, an industry where new orders largely come through recommendations (Dawes et al., 1992).

2.2.6 Pricing strategies

Shipley & Jobber (2001) state that price management is a critical element in a competitive strategy and a key determinant of performance. Continuing Forman & Hunt (2005) argue that pricing strategy need to be of high priority due to its direct impact on revenue and Lancioni (2005) says that the price itself is one of the most flexible parts of a marketing mix as it easily can be adapted to changing business environments. There are some different pricing strategies each with its own objective. While cost-based pricing primary is based on accounting data to achieve a specific return on investment, with the two weaknesses that it does not concern demand and competitors, the competition-based pricing are influenced by data on competitors' price levels. Customer value-based pricing is an approach to set prices depending on the perceived customer value. This is driven by a deep understanding of customer need and their willingness to pay, a model that is very difficult to interpret and predict. (Hinterhuber & Liozu, 2012)

When investigating consultancy services, there are many different opinions about payment structures and how or if it significantly affects the client service satisfaction. Some agree that it is a clear relation, while others don't. (Turner & Aldhizer, 2011) Management consultancy firms normally use fixed price, value based, time & material as payment alternatives. However, for consultancy firms to rethink their pricing strategy and take inspiration from other industries it would require a new way of working. There are many ways of how to set

prices and by doing it in the right way via creation, quantification, communication and capturing of customer value it can create significant opportunities. (Hinterhuber & Liouz, 2012)

2.2.6.1 Subscription

The use of subscription service has become more common in many industries. The business model has been closely associated with newspapers, magazines and other consumable products. It has recently become a more robust model for software vendors and software delivery companies by the usage of “software as a service” known as SaaS. An ongoing service allows the customer to use or have access to a service on a periodic basis, often monthly or annually. (HRG insight, 2008) To maximize revenues, the subscription allows the user to continuously use the service during the period with possibilities to add extra services to the subscription. The subscription is often based on a fixed price, with potentially price intervals that could be a per time usage charge. Providers of subscription service usually offers several packages to cover different customer needs. (HRG insight, 2008; Danaher, 2002) The fixed price system enables the provider of the subscription to ensure a more consistent revenue streams from the customer. It also forces the vendor into continuously improve the service. The subscription model can focus more on what is really benefits the customer. In this way, the provider must constantly be aware what the user needs, what is working and what is lacking since the subscription can be canceled by the user if they no longer perceive value. Moreover, the subscription service enables continuous improvements and enhanced performance for the user. This development is beneficial for both the user and the service provider. The provider of the service has to continuously stay updated on the latest technology trends and market changes. Since the business model enables the user to not renew the subscription if not satisfied with the value of the delivery. (HRG insight, 2008) This means that the subscription provider must work close to the users and reinforces value from continual contact as the company should strive to make the customer relationship long term (HRG insight, 2008; Fruchter & Sique, 2013). The subscription service elements for long term customer value lies in:

- Access to the subscription service provider’s network
- Access to a library of knowledge, best practice, advisory and current technical information
- Flexibility in the use of resources
- Guaranteed long term access to resources and competences (HRG insights, 2008)

The subscription service enables a more customer-vendor partnership rather than an arm's-length contractual agreement. Taking the SaaS as an illustrative example; the subscription of the service is a robust set of elements aimed at a commercial market where the complexity of managing IT issues reduces. The value of subscription is more than improved cost structure for doing business. The subscription models enable the use of the service continuously. This is where the true value lies for the user. A subscription service can help an IT decision maker to access new knowledge from the company and support the IT department incrementally. The continuous use of the service can lead to more immediate improvements in the

performance of the IT department due to a single subscription service, allowing the end user to have access to competence and knowledge compared to without the subscription service the user may be standing without continuous updates. In this way the value of the subscription service is retained continuously. (HRG insights, 2008)

3 Method

The methodology chapter aims to explain the research process and what methods that are used to simplify the standpoint when reaching the final result. The used methods will be well justified to give the reader a clear view about how data is collected and analyzed. Further on, a deeper explanation on how the study of research actually was performed. The interpretation of the used data during that process is of high value, and will in this chapter be explained by methods and reasons for the method chosen.

3.1 Research method

The focus of this study is to examine if a consultancy firm can respond to digitalization in a better way and if so, how can they develop an ongoing IT strategy consultancy service to better respond to digitalization and increase business flexibility and customer value. The research in the development of ongoing services within consultancy services was scarce and insufficient in order to be properly theorized. This is why this thesis aimed to add new insights to the growing demand for working continuously with IT strategies. An exploratory research approach has been used so that multiple aspects of service development within the consultancy industry can be discovered. Hence, the reason why the study has taken a qualitative research approach.

3.1.1 Quality research focus

To successfully answer the research question this study followed a qualitative research method. Bryman & Bell (2011) state that the method is well suited for studies that seek to understand the meaning and belief of an underlying action in depth, i.e. questions that are focused on *how* and *why*. Continuing, it aimed to investigate and build theory, which suited this study well as the theory of an ongoing service for a consultancy firm was scarce. Hence, we aimed to develop empirical research in order to develop new theory to understand how and why, a new service of this kind could be developed. Qualitative approach in business research is mainly focusing on analysis of unstructured data and is well suitable for this study. The importance of having qualitative information for this study was based on the focus of receiving information via the formulation of initial research idea and on the interviews' own perspectives as Bryman & Bell (2011) explain. From the usage of a qualitative method we were able to conduct numerous of interviews with CIOs/ IT managers. It made us able to create a deeper understanding of complex issues such as company needs and demands. According to Marschan-Piekkari & Welch (2004) it enabled us to, capture details, create meaningful results and to understand connections between core factors. We discovered and developed new opportunities for the creation of an ongoing IT strategy consultancy service based on demand, preferred content, delivery and pricing structure of the service. Bryman & Bell (2011) meant that a qualitative research method makes it more likely to gain trust and confident of respondents something's we aimed for during our interviews. With the creation of trust, the CIOs/ IT managers were able to provide the necessary data to make correct analysis and conclusions.

3.1.2 A case study

Based on the decision of pursuing a qualitative method, we chose to conduct a case study. A case study allows the researcher to thoroughly investigate the case, i.e. a current phenomenon, in its real-world context. The case method is suitable when it is difficult to determine how the contextual factors affect the phenomenon in question. (Yin, 2014) Studying a case as the objective of discovering the demand and finding the most proper framework in the delivery of an ongoing IT strategy consultancy service, the case study design was chosen to provide an opportunity to deepen the understanding of the research phenomenon. A qualitative case study enabled us as researchers and the CIOs/ IT managers as respondents to re-ask and clarify questions in order to assure correct understanding and answering of the questions. This was supported by Ghauri (2004) theory about interview methods. By doing so, the case study allowed one of the critical criteria of qualitative research to be fulfilled, which was the ideas and perspectives that emerged from qualitative research. The emerged perspectives were represented by the meanings given to real life events not by the preconception that belongs to the researchers (Yin, 2011). This direction felt natural to choose as it was aligned with the purpose of a case study to provide an in-depth elucidation and unique factors of the case in question. With this method we were able to develop comprehensive knowledge and understanding about how CIOs/ IT managers are affected by digitalization and thereby how a consultancy firm can approach this change via a service innovation that is responding to the changes in the market and customer demand.

3.1.3 Inductive approach

The normal research approach for case studies and qualitative research methods tend to be inductive approaches, which suited this study well (Bryman & Bell, 2011). First the theoretical chapter was developed through data collection to obtain a good understanding of the subject. However, it has been revisited and adopted throughout the process as new findings and ideas for structure and idea creation emerged. During the data collection, new understandings and information connected to the importance of customer relationship, factors influencing it and delivery of a service increased. The gathered data were critically reflected upon and when findings differed from the theoretical framework, the literature was reworked and adopted accordingly. Additional, new theory which seemed proper to current findings were added. In this way, we were not biased by the gathered data and could be critical to previous theories presented. This responsiveness during the research process has led to ensure validity (Morse et al., 2008) By using this approach, we allowed the empirical evidence, collected from the interviews with both consultants at an IT strategy consultancy as well as CIOs/ IT managers at Swedish companies, to guide the theory building and the framework of the new service delivered to the consultancy firm. Additional reason for why we chose the inductive approach was the great importance of involvement of customer when developing a new service. Alam & Perry (2002) argue for the importance of involving the customer in the service development process. We believed this was of importance in order to get as accurate answers as possible which was beneficial for the creation of a service that need to fit demand. Service often involve customers in delivery and purchase of service and they therefore tend to involve a longer commitment and more intimate relationship with the customers compared to

when buying a product (Alam & Perry, 2002). That is, customer plays a more important role in service firms and their input and involvement in the service innovation process is most likely very useful. (Langeard et al., 1986; Normann, 1991)

3.2 Research design

In order to answer the research question, the research design outlines how the data was systematically collected and analyzed. The design of the study is important in order to establish validity and reliability, which measures the quality of the study (Bryman & Bell, 2011).

3.2.1 Research unit

The research study is conducted at a management consultancy firm in Sweden. The consultancy firm is active within IT strategy management. The choice of company for the case study was due to multiple reasons. Firstly, the consultancy firm had experienced a growing request from small and medium sized firms to develop and support their IT strategy more frequently. Secondly, the consultancy firm requested two students for investigating the possibilities for developing a new service based on this demand.

3.2.2 Data collection method

To successfully answer the research question we used both primary and secondary data. Primary data was collected through semi structured interviews with CIOs / IT managers. Secondary data was collected through scientific articles to properly analyze and discuss the empirical data.

Primary data collection

Since the aim of this thesis is to gain an in-depth understanding of how digitalization is changing CIO's/ IT manager's demand of IT strategies and how a consultancy firm can develop a new service to meet this changing demand, primary data in the form of semi-structured interviews were the most suitable method. Semi-structured interviews are good for the theory building purpose (Cannice & Daniels, 2004). It enabled us to focus on the topic to generate insightful information. By this, we were able to take part of personal views, such as of attitudes, perceptions and meaning of interviewees, which is in line with Yin (2014) study about semi structured interviews. The method also allowed us to compare between the multiple answers as the theme and main questions were the same in all interviews, from a semi-structured perspective. Bryman and Bell (2011) state that, working in such structure open up opportunities for new themes and subjects which the interviewee finds important. This was indeed helpful during our collection of qualitative data via interviews. New areas were discovered throughout all interviews due to the CIOs/ IT managers experience and expertise. Bryman and Bell (2011) say that during interviews, it is of importance that the respondent feels encouraged to leave the safe box of answers. In line with this, we wanted the answers to be honest but also thought through by the respondent. Because of this aim, qualitative semi-structured interviews were suitable. It enabled the respondent to ramble and go off at tangents as well as giving the interviewer a pre-planned structure of the

conversation. As a result, we could manage to collect rich and detailed answers as the same time as we kept a level of structure via the interview guide.

Secondary data collection

In addition to the interviews, we collected theoretical data to the theory chapter. With the use of secondary data, from resources such as books, articles and scientific papers we could generate a valid and complete result. To collect relevant scientific articles and books, data bases Google scholar, Emerald, Science direct and HBR have been used. Also, the library of University of Gothenburg has been used. All chosen articles and scientific papers have been peer reviewed and we have aimed to use as updated information as possible, thus not to old research. In this way the study achieved a deeper understanding of the importance of key factors affecting the creation of a new service. This was made possible by including earlier research about areas that touched upon many of the factors, since theory about the concept of an ongoing IT strategy service is scarce. With this collection of information, it made us researchers more confident about the subject. The secondary data has primarily been used to analyze sub question one and two. However, the third sub questions has not been answered and analyzed through secondary data to the same extent. Instead the empirical findings has primarily been answered through the empirical data. In this study, we have not used any company specific information from the consultancy firm since we want to minimize the risk of being biased. This way we have been able to stay neutral to the empirical findings from the interviewees which ensures a high level of reliability.

3.2.3 Interview process

For our empirical study we have conducted qualitative interviews with 16 CIOs/ IT managers in Swedish companies. The 16 CIOs/ IT managers interviewed represented their company which varied in size and industry. Retail, finance, travel, food and automotive industry have been represented in the case study. All of the respondents had a yearly turnover above 1 billion SEK and a yearly IT budget between 1 and 2 %. Information about the interviews and respondents can be found in appendix 1.1 and 1.2.

3.2.3.1 Selection of interviewees

During meetings with the consultancy firm which we collaborate with and through literature reading we learned that in majority, it is companies close to end customers and consumers that often face a lot of turbulence. This is due to rapid change of customer demand origin from digitalization. This require firms to stay flexible. From this demand, we decided together with the consultancy firm to focus our selection of interviewees to these kind of firms. Via discussions with the consultancy firm we decided upon several firms to contact, both firms that were earlier clients and also new ones. As the unmet demand of delivering the consultancy service more ongoing had its origin from old clients, we saw it as an important factor to include these firms in our research. We gathered majority of the data through 13 telephone interviews and three face to face interviews with respondents based in Sweden. All of the interviews were held in Swedish, all participant's native language. This way, we did not miss out on any information due to lacking language skills as Bryman and Bell (2011) find

important. There is a risk of affecting the validity of the interviews due to the translation from Swedish to English in the paper. However, through proper translation and further discussion about the subjects we believe to have demonstrated valid empirical results.

We contacted many possible candidates and for those who joined the interviews, 10 were contacted with help and recommendation of the consultancy firm and six were found via Linked-in based on their managerial position and the size of the company, preferably selling products to the end customer. We wanted to interview CIOs/ IT managers as it is the sort of managers the consultancy firm we collaborate with often collaborate with. Further we wanted CIOs/ IT managers with experience in buying IT strategy consultancy services with a sample of 50% women/men. This was not possible. The respondents were picked purposefully in a non-random manner, which is typical for qualitative studies according to Onwuegbuzie and Collins (2007). This was a precondition for our study to bring as much information as possible and for us to be certain when answering the research question. Over the course of time, additional interviews that initially set out, were held due to late responses on participating. To get a deeper understanding of the demand for a new service we decided, after the 16 interviews were made, to do 5 in-depth interviews with those CIOs / IT managers that gave us most fruitful opinions about the new service and its content. Additional to interviews with the 16 CIOs/ IT managers, five interviews were held with people working at the consultancy firm we collaborated with. This was made to get a deeper understanding of the company. It was seen as necessary in order to build an understanding of the internal capabilities and requirements for the new service. The number of interviews held, and the levels of the in-depth interviews was determined by data saturation. Therefore we collected data until we perceived the respondents brought up the same aspects over again, which strengthens the validity of our findings.

3.2.3.2 Preparation of questionnaire for interviews

Prior to the interviews, we made a review of literature and held a startup meeting with our tutor at the consultancy firm to gain a preliminary understanding of the subject and therefore asked better and more relevant questions. To ensure all topics of interest was covered and to be able to compare the interviews with each other it is good to prepare an interview guide suited for semi-structured interviews (Bryman & Bell, 2011; Cannice & Daniels, 2004). Before doing the interview guide we developed an issue tree by breaking down our research question into smaller areas. With this we were able to visualize and structure the work process and methodically answer the research question. This simplified the construction of our interview guides. The issue tree can be found in appendix 2. Thus, we constructed two primary interview guides, one for the internal interviews held at the consultancy firm and one for the interviews with CIOs/ IT managers. After these interviews we were able to develop an additional interview guide for the in-depth interview, making sure all key areas were covered and also making it possible, between this category of interviews, to compare the content of it. To secure the quality and layout of the questionnaire, it was well prepared before the interviews, consultation with others, both within the consultancy firm as well as with our thesis tutor. The interviews were flexible and we did not firmly stick to the interview guide but covered the topics and elaborated on interesting comments that were brought up during

the interviews. To strengthen the dependability of research we provided the respondents a copy of the interview guide before the interviews taking place. The layout and content of the interview guides can be found in Appendix 3.

3.2.4 Data collection

The interviews were conducted during a period of one month. The extended length of this period was due to cancellations, sickness and last minute participation. During this time, we conducted the interviews, transcribed, discussed findings and scheduled five follow up interviews as these respondents gave valuable input. Each interview lasted between 40-60 minutes with both of us participating. Bryman & Bell (2011) state that microphone's and tape recorder often is of use for qualitative research for transcribing the interviews. Hence with the use of recording and transcribing we secured the details and quality of the interviewees' answers. Additional notes were made during the interviews to catch information we did not want to forget. Although semi-structured interviews were the best suitable method for our study, there are drawbacks to the technique. There is a possibility that the result of semi-structured interviews is biased due to poorly articulated questions, interviews can lack in accuracy due to poor recall of the interview and reflexivity could have appeared, when the interviewer answers as s/he thinks the interviewer wants to hear (Yin, 2014). This is something that likely could have happen without us noticing it. Hence, trying to eliminate reflexivity and bias we asked open questions and by recording and transcribing all interviews we were able to avoid poor recall of information.

3.2.4.1 Data analysis method

Figure 2 illustrate the process for our analysis. It is based on constant development of research question, theoretical sampling and data collection from the CIOs/ IT managers as well as the consultants from the consultancy firm which we collaborated with.

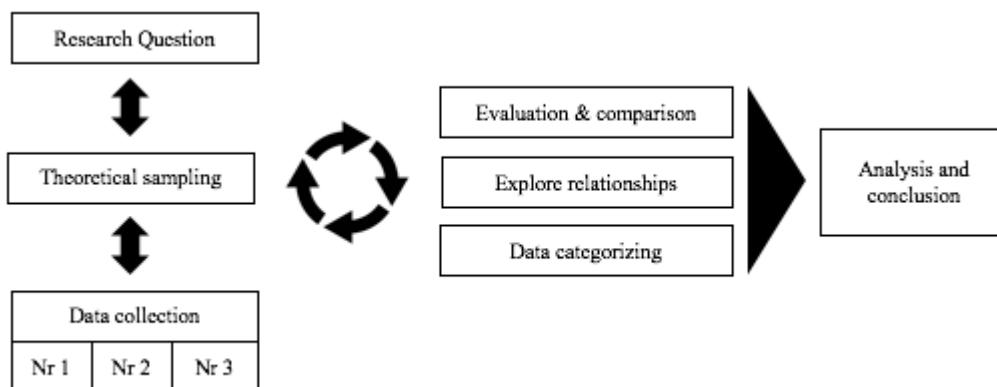


Figure 2 Data analysis method

The information emerging from the semi-structured interviews together with secondary data such as literature, scientific articles and research papers was analyzed throughout an inductive approach. Before going in depth with our analysis we structured our transcribed information in an excel document, making sure right information was on right place, in specific categories. This was inspired by Bryman & Bells (2011) concept and coding. This made it

possible for use to evaluate and explore relationships and to go back to data collection when additional information was needed. As our interviews were semi-structured, it happened several times that we did not follow the interview guide, hence the excel document made it possible for us to have correct data on right place. The category and format of the excel document was carved out from our issue tree which we developed for the creation of interview guide making sure the content we needed from interviews were touched upon.

Bryman & Bell (2011) state that grounded theory has become a widely used framework when analyzing data. Where data collection, analysis and eventual theory have close relationship to each other (Strauss & Corbin, 1998). Thus the process is iterative meaning that data collection and analysis work in parallel, referring back to each other. The close connection between theory and data have been clear in our way of working. This was conducted so we could maintain a close connection between empirical data and theory together with the creation of the new service, well suited for the need of CIOs/ IT managers.

The analysis is composed of both empirical data analyzed through previous research and further on discussed and reflected upon. Therefor the chapter also consist of our personal reflections upon the development of the new service and the following consequences of it. To fully answer our research questions, we structured our analysis in following manner with our three sub-research questions: 1) Current need for an ongoing IT strategy consultancy service 2) The composition of an ongoing IT strategy consultancy service 3) Internal implications on the consultancy firm. Firstly, we analyzed current situation regarding digitalization, how this is affecting how CIOs/ IT managers are working with IT strategies and what help that are needed to achieve real time IT strategies. After understanding the need for an ongoing IT strategy consultancy service, based upon current need, we could further go in depth with sub-research question two. Within this area we analyzed how the new service should be build up, what content it should possess and preferable payment structure it should have. Last, to understand what implications this new service could have on the consultancy firm it was of importance to analyze the empirical data emerged from the internal interviews. In summary, all these analyses made it possible for us to answer our sub questions and thereby our head research question.

3.3 Reliability and Validity

Throughout the master thesis, reliability and validity have been returning factors to consider and take action upon. Moreover, external validity is a difficult criterion to meet in a qualitative study, LeCompte & Goetz (1982) state that this is often a problem for qualitative case studies with small samples thus we are aware that the study could have generated another result by using a quantitative method. In a quantitative context, Bryman & Bell (2011) state the questions are clearly stated and there is no chance of changing the outline which increase the reliability and validity of measurement. Although the aim of this thesis was to get a deeper understand of CIOs/ IT managers demand, hence beneficial using a qualitative study. Thus, the findings and recommendations origin from this research aim towards the consultancy firm we collaborated with and can therefore only be applied upon them. Further, as the findings

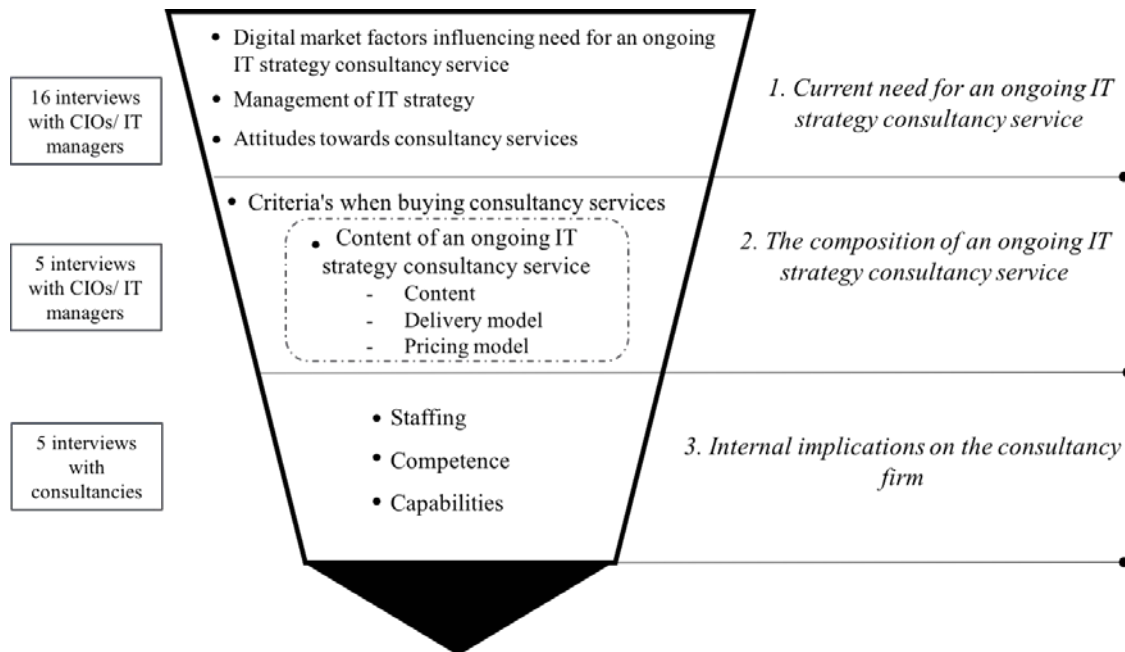
from our research primary is based on the answers of 16 CIOs/ IT managers, we cannot generalize that the findings would be the same if extending the population or interviewing other CIOs/ IT managers. Despite this, LeCompte & Goetz (1982) argue for internal validity and how this is a strength for qualitative research. Bryman & Bell (2011) explain internal validity as whether or not there is a match between observations made by the researcher and the theoretical ideas they develop. The strength is due to the long participation in social life of a group which allows the researcher to secure high unison in what is being investigated and theory developed. By taking this into consideration we can somewhat say our research posse's internal validity. Continuing Guba and Lincoln (1994) propose alternatives criteria's for evaluating qualitative research; trustworthiness and authenticity. Throughout our research we have aimed to work with these aspects by making sure the study is credible and provides thick and descriptions as Geertz (1973) call it.

Last, as the research itself investigate about digitalization and its fast changes, this study's result could change very quickly as well. As businesses external environment gets developed, so does the work of CIOs/ IT managers and thereby the demand and need for an ongoing IT strategy consultancy service. Hence, this study is highly time limited and if not applied to reality and tested soon, the recommendations given might not be accurate for long.

4 Empirical findings

This chapter ensembles the primary data collected through the interviews with CIOs/ IT managers and internal consultants at the consultancy firm. The aim is to provide a fair and complete overview of the need for an ongoing IT strategic consultancy service, how this consultancy service can be composed and what implications this has on the consultancy firm. Therefore, these findings are based on the theme that were most prominent during interviews with CIOs/ IT managers. In addition, these findings have been discussed and evaluated in interviews with internal consultants at the consultancy firm in order to better complete the picture.

As explained in the methodology chapter, to answer the research question of how a consultancy firm can meet changing customer demand by developing an ongoing IT strategic service in a digitalized era, the following empirical chapter has been divided into three sections, as outlined in the figure 3. The first section is touching upon the current need for an ongoing IT strategic consultancy service. To understand this, we interviewed 16 CIOs/ IT managers to find out more about digitalization factors they are currently facing and how this is affecting the way of working with IT strategies. As a solution to current state and the need CIOs/ IT managers have, the second section of the empirical study is about the composition of an ongoing IT strategic consultancy service. To understand the criteria's' and need for this, five interviews were made with CIOs/ IT managers. The third section consist of an internal perspective thus the implications the ongoing IT strategic consultancy service might have on the consultancy firm. To distinguish this, we interviewed five consultants at the consultancy firm. All of the data presented in this chapter is collected from the conducted interviews. More information about the respondents is available in appendix 1.



RQ: How an IT strategy consultancy firm can meet changing customer demand by developing an ongoing service in a digitalized era

Figure 3 Empirical data collection process

4.1 The current need for an ongoing IT strategic consultancy service

To get a background of IT strategy management we started the data collection by identifying and understanding the market and its changes due to digitalization. We continued with a deeper understanding to the management of IT strategies and the attitude CIOs/ IT managers have towards consultancy service. Lastly, we discovered the need for an ongoing IT strategic consultancy service.

4.1.1 Digital market factors influencing the need

In majority, CIOs and IT managers are heavily exposed to changes in the market which is affecting its business both internally and externally. A common reflection is that digitalization is a driving force that should enable more efficient internal operations as well as help business grow externally. It is also expected to meet changes in the market, technology and demand faster than before.

The insurance industry is facing a great challenge within the way people are changing their way of living. We need to stay curious and be quick moving, not only a follower. We need to adjust to new players, new markers, new products, new competition fast, just like all other industries. (Respondent 15)

The digitalization has brought up many opportunities for the companies investigated, it has changed customer behavior and expectation as well as the large consumer information available online. One CIO/ IT manager say it is a new way of competing.

We can offer more information online that we never could have done via a catalogue. The online service has also made it possible for us to change prices several times per day and not only stick to a list of prices. (Respondent 8)

4.1.1.1 Responses to digital market changes

Responding to digital changes in the market is important for all respondents. According to respondent 3 it is about having sense of emergency, and to be interested in the change process. However, knowing what trends are important to its business and how to respond to it, is a challenge for the majority of the respondents. A common reflection is that businesses need to make changes in the IT infrastructure but also embrace digital business opportunities. However due to complexity in IT issues, information overload and limited time assigned to operational activities the strategic IT issues are being neglected.

You do not have the ability to respond in the same pace as new ideas are popping up. Neither implement them. (Respondent 5)

Everything is changing so fast and no one knows what to do... There are no finished solutions for how to respond, it is trial and error and be willing to think new. (Respondent 7)

All respondents agree to the difficulty in how to be updated about constant emerging digitalization trends. It is a challenge knowing what information is relevant and what is not. In an attempt to stay updated, it is common for all respondents to attend networks, external events, read newsletter and talk to suppliers, companies and colleagues. Other sources of external environmental monitoring are subscription services from Gartner and/or Radar.

4.1.2 The management of IT strategy

The majority of the respondents, except one, have an IT strategy or a digital business strategy. Continuing, the importance of having an IT strategy and keeping it updated, is great due to digital changes in the market. Though, there is a big difference among the CIOs / IT managers in the time span, the content and how the IT strategy is managed in the daily work. All of the respondents aim to align their IT strategy based on the corporate strategy. Most of respondents develop their IT strategy for a 3-5-year time span and update it every year. Continuing, the common belief among CIOs/ IT managers is that every strategic decision in the company must involve the IT department which makes it important to keep it updated. Respondent 14 highly emphasis on this and stated that without IT inherent at all departments, the company would not have the position they have today. However, there are still improvements to be made, for some companies interviewed, the CIOs/ IT managers are not a part of the management team, while it is given to be included for others. Continuing, management of IT strategy is handled differently at businesses while IT strategic issues could be a relatively new phenome for some to have inherent as a strategy.

We did our first IT strategy 2014, before that we worked on what we thought we needed to do. I think many companies do not have IT strategies, even if they have a turnaround of 2 billion SEK, there is no paper on the IT strategy. (Respondent, 1)

4.1.2.1 Obstacles with managing IT strategy

Due to digitalization, fast changes in the market and new technical trends, there is a consensus in struggles to work with the IT strategy and to stay updated about the changes in the market. Meaning, there is a common trend in the respondent's answers that CIOs/ IT managers are struggling in working continuously with their IT strategy. It is argued that they do not have time to work on the IT strategy. This is due to rapid increased importance in digital capabilities, lacking modern IT infrastructure and time away for operational tasks. Thus, big strategic initiatives can take time to implement. Respondent 5 and 6 reflects that working on the IT strategy is not a full time position, but neither does the CIO have time to work on it besides the operational tasks.

This is a task that does not requires a full time job but I would prefer to hire someone in house to work on the IT strategy. (Respondent 5)

We have to work more frequent with the IT strategy. We need to update it twice a year at least! (Respondent 11)

If the IT strategy is open and flexible we can handle changes faster. We have to be able to add/remove ideas during the year. (Respondent 1)

Many respondents said that the IT strategy need to be revised frequently to not be locked in old truths and limit the innovation spirit. Respondent 4 and 9 say that many business leaders are stuck in old business structures and it becomes very obvious within the IT department when the speed to keep up with the change is not there. For example; having a strategy and executing it while something disruptive, for example Uber, is emerging, the likelihood of success is low.

As an CIO/ IT manager one cannot be too strategic, then nothing will happen, according to respondent 3,16 and 10. Respondent 10 do not like to work on strategic planning too much, the activities is what is important. Other respondents argue for the great weakness if the management actively stop work with the IT strategy. To stay flexible and to realize the strategy, it needs to be turned to activities.

Our strategy is looking five years ahead at the same time a lot of things is happening on the market. If we don't modify our strategy each year it will be a weakness, we will get stuck in something old. (Respondent 14)

Respondent 11 explained a risk of relying too much on old truths as the environment changes so fast.

The biggest risk with the IT strategy is the IT strategy. (Respondent, 11)

4.1.3 Attitudes towards consultancy services

CIO/ IT managers have a mixture of opinions regarding the need for consultancy services, both positive and negative. Several of the respondents use external management consultants for advisory, to advance one level with the work on strategy. Respondent 9 explains the benefit as consultants come to the business with new eyes, as the manager often stops seeing flaws especially in larger change processes. Respondent 13 buys consultancy services for support of strategic projects and thinking, to have a strategic advisory discussion opponent. About 40% of the respondents are mentioning that they are using Gartner and Radar as subscription services. With databases and experts, Gartner offer strategic advices about solutions that fit the company and market well. Several of the respondents that use or have used Gartner expresses that this could be replaced for a more personalized consultancy service on a higher strategic level.

I buy consultancy services since we do not have the competence in house, that is why I need a strategic partner. (Respondent 7)

Respondent 1 believes that many CIOs/IT managers are in a need of help from consultants, to identify and establish the IT strategy. There are many IT managers that still do not understand the power of IT strategy, what to do with it and how to actually extract growth from it. Enabling flexibility in the company is indeed very important.

It is difficult to make a 3-year plan in advance in a continuous changing market. It is good to have something to fall back on, someone who is personally responsible for the IT strategy, it could be an external partner. We want help with making decisions in IT issues. (Respondent 2)

If the strategy is not updated frequently you will be locked into old ideas and the amount of development is limited. We have to base our decisions on the IT strategy to make it relevant. This requires an external partner who forces us to work with IT issues and who is questioning the changes ahead but also comes with great advice. (Respondent 11)

For general IT strategic consultancy services, there were some CIOs/IT managers who presented negative opinions towards buying consultancy services. These respondents do not want to include an external party in IT strategic issues and emphasize on keeping their strategic tasks internally. Respondent 10 for example, understands that a consultancy firm can do a lot of changes at the firm which is a positive thing but as s/he believe they already have much control they rather do it themselves. Additional, respondent 10 argues that the huge work done by a consultancy firm is not always used and implemented by the firm which is a huge drawback.

I would not let an external party develop our IT strategy. The strategic work is the most important work we do and we want to keep it our responsibility. (Respondent 12)

Based on the respondents lack in time and the need for strategic advisory, the need for strategic consultancy services for IT issues is requested. A majority of the respondents gave a positive attitude towards buying an ongoing IT strategic consultancy service. 6 respondents truly saw the benefits with this, 6 respondents had a somewhat positive attitude towards it and 3 did not agree upon the benefits with it.

4.1.4 The need for an ongoing IT strategic consultancy service

As described above there is a demand for an ongoing IT strategic consultancy service. However, the level of responsibility put out on the consultancy firm varies among the respondents. Some respondents are positive towards having a consultancy firm taking on some responsibility of the management of the IT strategy and keep it updated, while others are not.

All companies need help with their IT issues. It has to be specialized to the company demand. (Respondent 3)

I would need help from someone that can analyze the business, telling me how I can do better. With analysis and verification bring me recommendations connected to the IT strategy. But the actual IT strategy I want to do by myself. (Respondent 11)

The results also show an interest in having an external partner identifying problems and possibilities with IT issues and strategies.

The pros with having external eyes working on the IT strategy is that they are experts on this and it is not a full time job. (Respondent 4)

While several respondents are positive about an ongoing IT strategic consultancy service, some are more skeptical. As written above, a few respondents do not want the consultancy firm to take on too much responsibility and is therefore not positive towards the service.

I cannot see a consultancy firm representing the company's most important question, what the IT strategy should look like. I do not want to delegate the whole responsibility to someone else, or to buy that responsibility. I believe there is a risk in having that relationship. (Respondent 12)

4.2 The criteria of an ongoing IT strategic consultancy service

The purpose of this section is to compose general criteria for an ongoing IT strategic consultancy service. This is to get a broader perception of what CIOs/ IT managers find important when buying consultancy services.

Several areas were identified as core criteria when buying consultancy services. This was brought up both from the first round interviews as well as the second round of interviews.

4.2.1 Industry and company specific knowledge

Industry and company specific knowledge is coherent important for majority of the respondents. Respondent 5 believes it is of extra importance if you are a small company, as the specific knowledge lack internally and it is important factor to be able to challenge the people within the firm. Many of the respondents prefer consultants that are senior, that have worked within many different areas, preferably as CIO, in this way they will gain industry knowledge.

Capabilities and relevant industry background is important to us. (Respondent 3)

Respondent 1 says that external consultants are always better in particular areas and they've got information about other companies. Additional, to only have access to a lot of information and knowledge via subscriptions as Gartner is not enough for respondent 8. Instead the respondent expresses the need of having a physical person contributing with information and trends.

I want a senior consultant that understand how things are connected, who understands the business and that it is the company that has to do the work, not the consultant. (Respondent 3)

4.2.2 Loyalty and trust

Loyalty and trust between the consultancy and client is of high importance to all respondents. It is a relationship built together as a partnership, thus important to choose right people to work with. There are many consultancy firms which must prove their competence and trust. (respondent 11, 4)

Loyalty and trust is important, and above all that we contribute to each other's development. The consultant should contribute with inspiration they picked up at other firms while we are generous with our insights. With this structure we can grow together. (Respondent 1)

4.2.3 Flexibility

To be flexible within reasonable time periods is crucial, respondent 2 for example will most likely need a half time person, taking care and running the whole IT portfolio. Continuing, it is preferable for several respondents to, on short notice, be able to scale up and down. Thus require the consultancy firm to be flexible (Respondent 6). The respondents require the possibility to fast and easy be able to scale up and down the workload depending on clients' demand and the consultants' performance.

It should be stable but flexible: if we turn on the tap we want to have the same skills. The flexibility applies to all type of contracts, to be able to speed up and hit the brakes. (Respondent 1)

I want to buy strategy consultants on a tap, to use the person when I need it and I want to know the price from the start. (Respondent 7)

4.3 The construction of an ongoing IT strategic consultancy service

Based on the results from interviews in round one, we have conducted five following interviews in a second round. These respondents showed a stronger demand, creative thinking around the need for a new way of working with IT strategic issues, helpful for the creation of an ongoing IT strategic consultancy service. From the second round of interviews we were able to extract more details about the demand and criteria for the new service. The respondents in the second round of interviews were respondent 1,2,3,4 and 16. For further information about the respondent's attitude for the ongoing IT strategic consultancy service, see appendix 4.

4.3.1 An ongoing IT strategic consultancy services for business areas

Several areas within an IT department were brought up during the interviews to understand where the demand of an ongoing IT strategic consultancy service was. In somewhat majority, the respondents agreed upon areas of interest.

Strategic alignment (planning): An area of interest for all respondents. Respondent 2 says that strategy alignment is very essential, they need advisory as they don't have enough internal knowledge.

Business engagement & support (planning): An area of interest for all respondents.

IT project (change management): Mixed opinions of having this area as a part of an ongoing IT strategic consultancy service. While 2 are against it, 3 are pro having it. Respondent 2 says it is of high interest, to have external parties being a part of the project or even be project leader. As long as some part of ownership is within the firm, not letting it be ruined by consultancies extensively.

The best consultants are those that say "you have to manage this part", who teaches us. That is an extremely important approach, not to intrude and take over. The worst relationship is when a consultant says - "we are taking over the project management", that is not a good relationship nor good collaboration. (Respondent 3)

IT maintenance & IT operations: This was not an option as a part of an ongoing IT strategic consultancy service for the majority of the respondents.

I would not by IT maintenance and operations from the same company that offer strategic advice, it is two different expertise. (Respondent 4)

IT management (controlling): An area of interest for all respondents which said that many managers are bad at controlling and understanding how operations look like.

Management and controlling are setting the overall business objectives, leading the organization to leverage on it. Just as my manager's role is not on operational level but

rather on strategic level, so is IT management. Consequently, an ongoing IT strategic consultancy service can match this area of IT management well. (Respondent 4)

4.3.2 Content of an ongoing IT strategic consultancy service

All of the respondent's state that they lack time to work with the strategic issues within IT and digitalization. They emphasize on the importance to have an IT strategy that is up to date and followed. The results also show that the respondents are primarily focused on the strategic work with IT strategies rather than operational.

I think it would be good to have someone that makes an overview of the IT questions continuously every year. I believe it would be good to buy an ongoing service. It makes you feel like you have control over your IT department but at the same time you get the help and support you need, and you get confirmed that you are on the right path. (Respondent 3)

I need help with development of IT strategy, implementation and advisory. When I have to make decisions, basically a part time CIO. (Respondent 2)

Below following areas of need have been identified and questioned during the second round of interviews.

4.3.2.1 IT strategy development

All of the respondents express the need to have an agile approach towards the IT strategy and the business development around it. This challenge creates a need for external help when working with the IT strategy. Respondent 2 had recently developed a new relationship with a consultancy firm to receive help with its IT strategy work as a service to constantly keep it updated.

An ongoing IT strategic consultancy service, focusing on my IT strategy would be wonderful for a CIO. Often you feel alone in that position and you are supposed to work and manage the daily operations and by that the strategy work is put aside. (Respondent 1)

4.3.2.2 Advisory and discussion opponent

The use of information databases such as Radar and Gartner seem to not fulfill the demand for CIOs/ IT managers since the information has led to most of the respondents are struggling with an overload of information, how industry trends affect them and what specific actions the company should take. Instead, the need for having a second opinion and external advisor about the information is requested. All respondents see benefits of having an advisory taking part of strategic choices and challenge the CIO/IT managers in new ways. This is of extra importance for those who feel alone in their work, such as respondent 3 who do not have that many professionals to discuss strategic choices with. Nonetheless, along with advisory as an opportunity, respondent 16 means it needs to be clear when the consultant is giving recommendations on next step or trying to sell add on services.

Advisory is not just about IT strategy it is also needed for making important decisions. They can be a back to the management team, providing support in monitoring the external environment and coaching the CIO. (Respondent 1)

I strongly believe in advisory, to help the company forward. You cannot do everything yourself, then it is nice to have management consultants. It should be more focus on advisory rather than fixed concepts and solutions. (First round interview Respondent 7)

I have bought consultancy service to get input from external partners, a second opinion. I want someone that challenge me. No one in my management team have the skills to discuss IT strategic issues. To have a discussion opponent and to get input rather than an in depth analysis would be truly helpful. I want this person to know a lot about the external environment and understand where my company needs to go. (Respondent 3)

4.3.2.3 Situation analysis

Many of the respondents think a situation analysis should be one part of an ongoing IT strategy consultancy service for several reasons. Some of respondent's request that the situation analysis of the company should take place together with an external monitoring analysis, as they go hand in hand.

I would like to have a situation analysis together with an analysis of the external environment as part of this service. (Respondent 1)

One respondent argues that it is about the competence inherent at the firm. For those who have worked at the firm for "hundreds of years", a situation analysis is a good way to extend their embowered expertise. Continuing, it is less of importance for those who have large experience in several industries and competence areas. Another respondent believes it is of highest importance to have the situation analysis as a pre-study before conducting a specific project, hence meaning it could be redundant to have it later on in the process. The respondent therefore believes situation analysis should be an add on service.

4.3.2.4 External environment monitoring and analysis

Many of the respondent's state that they use external companies like Gartner and Radar to collect information about their industry and its trends. It is stated to be a service which brings a lot of information but lacks in company specific advice and additional is very expensive. Thus the respondents expressed an interest for external environment monitoring and analysis. For example, respondent 3 argued for the demand of an external, neutral part that can monitor external environments with the company's interest in mind. Moreover, the whole market is not of interest, it has to be company specific.

Monitoring the external environment and analysis it is very much needed. We have to see our limitations and we have to be updated. The idea to have an external expert network is brilliant, this is more personalized. (Respondent 2)

They have to guarantee that they have an eye on all digital initiatives happening in the outside world. Then we will get the right input we need. (Respondent 3)

4.3.2.5 IT budgeting management

Most of the respondents were negative towards support of IT budgeting through an ongoing IT strategic consultancy service, it is not one of the primary needs. IT budget is not part of the IT strategy and is therefore not requested to be part of an ongoing IT strategic consultancy service. However, some of the respondents believe it could be of interest later on in time, as the demand emerge.

IT budgeting is definitely an add on service. There are many internal controllers who could do this themselves but if there is a need for a certain knowledge or project management this is a good add on service. (Respondent 2)

4.3.2.6 New applications projects

In general the results show that the respondents are not united to have new application analyses as a part of an ongoing IT strategic consultancy service. While some strongly argue for benefits of having this as a service, others are more skeptical to what it could be. Respondent 1 for example, would like an overview of what applications are possible and available for its company. This is due to the benefits of having a non-partial person who acts with transparency.

Information about new innovations, new technology and how we can use it, it is obviously an add on service. For an ongoing IT strategic consultancy service this must be a part of the offer. (Respondent 2)

4.3.2.7 Project management

The respondents showed different opinions on project management, whether it should be part of the service or not. Majority were favorably. Respondent 2 said that a supplier that is not offering project management, is not of their interest. They strongly need help with management and coordination of projects, this is aligned with respondent 1 opinions, who thinks it is of value to the service to have access to project leaders. Respondent 4 did not agree with this, it was expressed that project management is a different kind of service, thus not a part of an ongoing IT strategic consultancy service.

I do not think the service should be too broad. It is not credible. Project management is another service. (Respondent 4)

We need help to execute on the IT strategy. How we should present it to the employees, and managers. Also, making action plans from the IT strategy, that is the most important with this service. (Respondent 16)

4.3.3 Delivery model of an ongoing IT strategic consultancy service

In this section we aim to illustrate how an ongoing IT strategic consultancy service can be delivered by a consultancy firm to the customer. The result demonstrates different delivery factors for success of the service.

4.3.3.1 The level of frequency

The timeline of having an ongoing IT strategic consultancy service differ slightly between the CIOs/ IT managers depending on demand and help needed. What is agreed upon is the structure of a base service around the IT strategy and additional add-ons when demand of extra help is needed.

Respondent 4 explains that advisory is more advanced than to only meet once every quarter, it requires more work. Apart from that, a majority of the respondents believe that a proper timeline for the service is monthly or quarterly basis. Respondent 16 states that it is of importance to have a good frequency of the service and advisory otherwise too much things will happen in between. It can take place via telephone plus additional meetings during specific cycles for budgets and business plans.

Respondent 1 would like to have help with its IT strategy once per year, which also is the same amount of time the company's leaders meet to set the overall business strategy. When doing this, you understand in which areas the ongoing IT strategic consultancy service can take place. The usage of the service within the areas of advisory, discussion opponent, situation analysis and external environmental monitoring and analysis would take place more often, as a suggestion every month. Things are happening all the time, some sections of the service can be changed to a project during a specific periods depending on the level of assignment.

It is difficult knowing how many hours the service should have. The answers vary largely from a three-day conference to a few hours every fifth weeks. In parallel with this, some option from the respondents was to have add-ons approximately two days per week or larger projects that take place as add-ons in parallel depending on demand.

Monitoring and analyzing the external environment can be done every six months and advisory about the IT strategy and making strategic recommendations can be done on a quarterly basis. (Respondent 4)

4.3.3.2 An ongoing need

In coherence, an ongoing IT strategic consultancy service should be an ongoing process, until further notice. The long term perspective is of high importance for the service to actually result in strategic results and outcomes. For example, respondent 2 chooses not to invest in internal resources, the service around its IT strategy they bought will replace internal resources and act as an CIO on half time for the company. It is therefore of high importance to keep the service long term, at least for three years.

An ongoing IT strategic consultancy service, it is something that will continue as an ongoing process. The commitment with the service should take place as long as it is working well, it is a strategic choice. (Respondent 1)

As I see it the value lies in having a long term relationship with the consultant, as a discussion opponent who can see what is happening around us, inform us. S/he could say “this is a good idea for you” since the person get to know our organization. This would not be done directly so that is why aiming for a long term relationship would be valuable for us. (Respondent 3)

4.3.3.3 Strategic partnership

All of the respondents expresses the importance of a having a good relationship between the two parties for the enablement of an ongoing IT strategic consultancy service, it must be built on trust and commitment. At the same time, respondent 16 expresses that the greatest challenge for an ongoing IT strategic consultancy service to succeed is the lack of trust towards consultancy firms. It has been argued by all of the respondents, that having a long term relationship and partnership between the client and consultant believes to bring the most value and results of an ongoing IT strategic consultancy service.

The pros with having a partner is that we get to know each other and each other's challenges, and that makes it easier to work together. (First round interview Respondent 15)

It should be someone I have a good relationship with and who knows the company well. You have to have a long term relationship for this service to work. (Respondent 4)

I don't have any issues with buying an ongoing IT strategic consultancy service but I would never do it if I had not worked with them before. (Respondent 16)

4.3.3.4 Dependency and presence

According to the five respondents, there is a difference in opinion regarding person dependency and the level of presence the consultancy firm should have at the customer when practicing an ongoing IT strategic consultancy service.

The respondents are in coherence for high level of person dependency. It needs to be one consultant that is responsible for the service, which possess' high level of loyalty and trust. The consultant need to be senior and preferable a prior IT manager (Respondent 3). All respondents understand that the responsible consultant will take assistance from other consultancies at the firm or even external people from networks. This is fair as long as objectives will be achieved.

The level of presence depends on situation. It differs if the consultant is acting as project leader or doing a situation analysis for example. The respondents say that for the consultant to be present, and actually sit at the client's office is not required in the same extent as earlier. It is the result and content that is of interest and not how they are getting there. Obviously

weekly meetings need to take place, where strategic issues are discussed with the responsible consultant.

4.3.3.5 Outcome of delivery

The delivery form of an ongoing IT strategic consultancy service can take place in several formats; advisory, workshop, active on management meeting, project basis, face to face discussions etc. The different alternatives work well to a high degree for an ongoing IT strategic consultancy service, except respondent 3 who is criticizing having consultants taking part in management meetings.

4.3.4 Pricing of an ongoing IT strategic consultancy service

The pricing of an ongoing IT strategic consultancy service depends on for how long the respondents want to commit to the service. It is difficult to reach consensus regarding the payment structure for an ongoing IT strategic consultancy service. The preferred payment structure varies between the respondents.

4.3.4.1 Commitment

An ongoing IT strategic consultancy service should have one-year commitment to its clients, according to all respondents except one that believe a half year commitment is good. Respondent 2 who argued for one-year commitment said the service can be extended when defined exactly what should be included. A three-year commitment would never work in this ever changing business environment. Hence, all of the respondent were hesitant to commit to the service for too long. Respondent 1 says it should be easy to get a divorce from the commitment. This will create a better relationship between the two parties.

I want to start with one year, and then continue with more when you know how it is working out. (Respondent 3)

4.3.4.2 Subscription

To use subscription as a payment structure for an ongoing IT strategic consultancy service is an option for all respondents. According to respondent 3, many smaller companies prefer this structure for different kind of services as it simplifies the payment which can be done on monthly basis. Additional, to have a subscription model favor companies of smaller size which have limited resources for a full time employee (respondent 2). One factor brought up by some respondents, is the appeal of a lower monthly payment due to subscription favor long term commitment.

If you are a small company it is much better to have a fixed monthly cost, then you know how many hours you have to work with and what you pay. I prefer to have it like this, as a subscription. (Respondent 1)

We cannot have a CIO on fulltime, we do not have resources for that but we need it. In that case the subscription model is a good and we can stay flexible. (Respondent 2)

When it comes to specific pricing structure of consultancy services, the respondents' answers vary. Respondent 5 argues for fixed price only while respondent 13 and 14 often buy consultancy services on time and material. In coherence, respondents believe fixed price is a good option for larger projects. Many respondents express their want towards value based pricing, however several agree of its difficulty especially for strategy project as it take long time before the real value will rise. One difficulty, that many respondents mention is the price structure for advisory. It is difficult to know how to price it via a value based method but also via time and material as it is problematic to understand when for example advisory or normal discussions take place.

The hard part is to set a price on it. Should you pay for two hours of advisory or should that be included, that is why you choose a partner to be able to ask questions freely. (Respondent 2)

The majority of the respondents think that a fixed base subscription is relevant for the service together with a variable price setting that depends on the volume of a specific task or issue. For the variable price setting, respondent 4 and 1 propose a structure where you buy one consultant for x amount of hours or use the consultant via an "hour bank". Respondent 1 emphasize on a reduction on the variable price if you as a subscriber bought access to x amount of consultancy hours in a block of 100 hours. The fixed subscription is to secure the service is up to date and could for example be paid each quarter or monthly during one year. In this way the service as well as the payment will stay flexible. Only respondent 16 do not prefer the mixed price structure of a base and variable. Instead the respondent wants a clear buying procedure for the help needed.

Respondent 2 and 3 explain that it need to be very clear what is included in the base and thus making sure the client knows what to expect. One alternative for the base subscription is to have a three level pricing structure: bronze/ silver/ gold. The structure of this would be depending on company size and individual demand for each company.

I believe you can make a service of this. It need to be clear what you buy, with quantifications and fixed price. If you buy bronze it will cost 600.000 SEK per year or 50.000 SEK per month. With this five workshops will be included. Variable cost will emerge when the demand for a specific project is there. (Respondent 1)

I want to pay for what I get. For brainstorming/ advisory/ discussion opponent I can pay either 2.000 – 3.000 SEK per hour for senior consultants or 10.000 SEK for a half day per quarter. Additional when I have the need to update my IT strategy there should be a fixed price on 50.000 - 100.000 SEK. (Respondent 3)

Additional, it is always a price issue and senior consultants tend to be expensive. At the same time as the service need to be packed and priced with clear descriptions of what the customer will get. It is important to the respondents that the service does not become a routine service.

4.4 Internal implications on the consultancy firm

This section aims to provide a better understanding of how to manage and organize internally to be able to deliver the ongoing IT strategic consultancy service. All of the respondents work as consultants at the case firm, from a junior position to the CEO.

4.4.1 Staffing

How to staff internally to deliver an ongoing IT strategic consultancy service could become a challenge according to the internal respondents. All respondents suggest, to have one senior consultant responsible for the relationship building and the delivery of the service. Respondent D expresses that the senior consultant could work on several accounts in parallel, thus will result in knowledge sharing between clients and consultants internally. In this case it is good to have a mix of both junior and senior consultants. By working with many assignments it is necessary that staffing is efficient and smart, enable creation of new teams quickly. However, Respondent E argues that for an ongoing IT strategic consultancy service, the consultancy firm do not have the same possibility to says no to a request which is possible today. It will decrease the possibility to plan for what is coming ahead. Respondent C argues that with the usage of a subscription structure, forces the consultancy firm to deliver even faster, according to what is settled. Since the demand for an ongoing IT strategic consultancy service would varies over the year between companies, the allocation of consultants will vary. Thus it could become a challenge if all the clients require help at the same time.

If the customers are to pay a subscription cost, we will be responsible to deliver that fast. It will be hard to staff up if everyone who has a subscription wants help at the same time and we are not enough consultants for that. (Respondent C)

4.4.1.1 Multiple accounts

A united thought about an ongoing IT strategic consultancy service at the case firm is that for those who have experience, often senior consultants, can put time and effort on selling the new service, work on the client relationship, and establish quality in junior consultant's work.

We will be the first person they will think of when the need for help occurs, since we are already there and can put our resources on it. (Respondent D)

Some respondents argue for difficulties that can rise with working with several projects in parallel. Respondent C means that no longer it will be possible to work on one project where you can lay all focus. The skills to flex between projects and prioritize between them is needed, and alongside deliver quality. Respondent E states that one negative consequence with multiple projects in parallel is the stress factor for junior consultants that can occur, this could in turn affect the project's quality.

As new and junior consultant I might be able to work on two or three projects at the same time, if more projects, it will be hard to deliver good quality of the work. (Respondent C)

4.4.1.2 *Coordinator*

There is a consensus among the internal respondent that, someone in the team has to have a strong relationship to the customer, who the customer trust and who can spread out the assignment to the rest of the team. The responsible consultant could according to respondent E act as a coordinator of the service both towards the customer and towards the team, which would be a half time position. With this role comes the utmost responsibility to create value and great results for both parties.

We need someone who is responsible for the customer, the delivery of the service and the coordination of it. Then we can have a network of consultants working on different assignments in the back office. (Respondent A)

This service will demand more coordination, since the capacity per month will vary. We will have to coordinate it better, especially when we get more of these types of customers.” (Respondent D)

According to respondent E, s/he emphasizes on the importance of being physically present at the customer's office.

From previous relationships with customers, the physical presence is really important for them to see that we are working on the assignment, to establish a good relationship and to increase the perceived value of the service. (Respondent E)

4.4.2 *Competence*

All respondents agree upon the competence needed for the new service is the same that exist currently. What is changing is the format of the service. Thus it is about packaging the service in a specific format, a seamless service integrated at the clients every day businesses.

I believe that, we as a company have the knowledge and capability to perform this service but we need to put it all together towards one united front. All of our knowledge have to be visible for the customer. (Respondent A)

Two forms of partnership can be created for this service according to respondent A, with clients and networks to acquire knowledge and expertise upstream. This could be beneficial for certain areas where front edge competence is needed. A positive effect of having several subscription clients is that it will be easier to intercept knowledge from several industries and businesses. A form of best practices. (respondent's D & C) Personal capabilities is of higher importance for the new service, according to respondent's E & C. To have the ability to shift between issues and projects not related to each other is about experience and habits.

5 Analysis

Based on the collection of empirical- and theoretical data, we have in this section analyzed and evaluated the information available. This analysis is set up to develop an ongoing IT strategic consultancy service, called IT strategy as a service. First we discovered a demand for the service and based on these findings, we evaluated and built a structure of the service, IT strategy as a service. Lastly we investigated the implications on the consultancy firms from offering IT strategy as a service.

5.1 The current need for an ongoing IT strategic consultancy service

The first research question aims to demonstrate the need for an ongoing IT strategic consultancy service. Together with data from the first interview session and previous research we have discovered a need for an ongoing IT strategic consultancy service. This need emerged from the pressure of working more continuously with IT related issues and to respond faster to digital changes.

5.1.1 Increased awareness for the need of a real time business

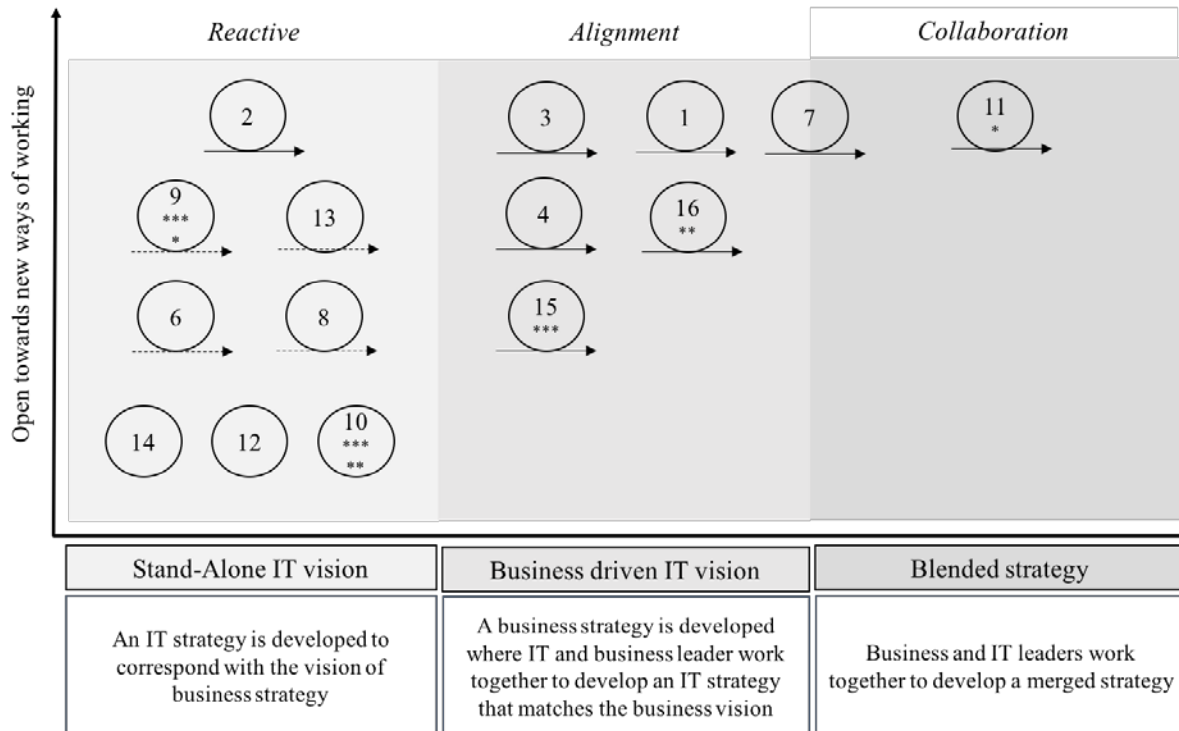
Results from our empirical data, highlights an increased awareness among CIOs/ IT managers for digitalization and the challenges and opportunities that follows with it. They argue for digitalization as a driving force and how it enables companies to create more efficient operations as well as it is a source of new businesses. However, new players, markets, products and competition are emerging in new ways due to digitalization which require companies to adjust and set marks for improvements in ways that have not been made before. CIOs/ IT managers say that the change is faster than ever before and knowing which trends to follow is nearly impossible. Aligned with this, Voloudakis (2005) states that the traditional way of working to predict the future and create a plan to meet it falls short. Change does not wait for the next planning cycle but instead a strong need for an adaptive business has emerged. Janowski (2003) from Gartner Inc. explains it as a real-time business. This way of thinking corresponds with CIOs/ IT managers which say that business internal and external environment is changing fast and without any finished solutions for how to respond to it. Trial and error and the willingness to constantly think in a new way are the only ways to respond to changing environments. Thus, the awareness and demand for a real time businesses are somewhat coherent among CIOs/ IT managers. However, due to its complexity of how to work with it and respond to digitalization, the actual adaption to this fall short. This is aligned with theory about the capabilities that Woll (2003) and Janowski (2003) argue for, to achieve an adaptive and real time business is not fully developed yet among the CIOs/ IT managers. Woll (2003) argues that businesses need to abandon the habit of controlling and prediction, and instead develop capabilities to respond to change using up to date information. Specifically, for the IT department, common reflections among CIOs/IT managers illustrate the complexity of working with digitalization and the complication it shows for the IT infrastructure. IT issues, information overload and limited time assigned to operational activities, have contributed to the neglect of IT strategic questions, despite CIOs/ IT

managers' awareness of the alarming importance it has for businesses approach to digitization.

Hence, both earlier research and CIOs/ IT managers emphasize the importance of working more real time. It is commonly understood that due to rapid changing business environments the traditional way of working with controlling and predicting is not the right way for responding to changes. Despite this, how to actually become a real time business seem to be a challenge for CIOs/ IT managers. Moreover, there seem to be a fear of leaving the old way of working and the movement is further limited by time and competence and the large amount of information about new trends results in CIOs/ IT managers doesn't realize what to act upon.

5.1.2 Increased awareness for the need of an ongoing IT strategy

As noticed both from earlier research and from our empirical data, there is a consensus that the businesses' IT strategy no longer can be isolated. Instead it needs to be an integrated and transparent part of the businesses and all the decisions taken within them. Janowski (2003) says it is problematic as digitalization issues constantly arise and change business environments. Hence working continuously with adjusting the strategy and developing a real time strategy is critical. In reality, we saw in our empirical data that CIOs/ IT managers that worked more with strategic questions rather than on operational tasks are more interested to develop real time IT strategies. One example is CIO/ IT manager 10, who stated that the company mostly focuses on operational tasks rather than strategic ones and that IT only is a support function, thus did not work with the IT strategy to a large extent. In relation to CIO/ IT manager 1, who stated that having a flexible and updated IT strategy is crucial for future success and it has to be easy to understand for everyone to use it. The divergence in the way of working with IT strategies can be connected to Voloudakis (2005) three approaches for working with IT strategy development; reactive approach, alignment model and blended strategy which have been illustrated on the X-axis in figure 4. Thus, the X-axis illustrate Voloudakis (2005) IT strategy models and the Y-axis illustrate our perception of the CIOs/ IT managers' attitudes towards new ways of working. Continuing, with this set up we plotted out positions of the CIOs/ IT managers in the matrix, according to our perceptions. The arrows below each CIO/ IT manager illustrate their aim to develop their IT strategy in a new way. Hence, the CIOs/ IT managers without an arrow showed less interest. To further illustrate the different positions of the CIOs/ IT managers in figure 4, figure 5 presents several citations from the *-marked CIOs/ IT managers.



(Company 5 do not have an IT strategy and is therefore not placed in the picture)

Figure 4 CIOs/ IT managers mapped out based on their IT strategy and openness towards new ways of working

Citations from CIOs/ IT managers		
* IT strategies must move as fast as we see trends that will affect consumers	*** Strategy is most important to have. The successful company has an IT strategy. IT is everywhere today. More companies will go in that direction, they will stop see IT as a support function but as a integral part of the organization.	**** IT is involved in everything, so we are changing our minds all the time but at the same time we are a operational organization with common IT tasks every day.
** We create an IT Strategy together with our business. We look at our needs, what is important to deliver values the business requires, but also how the IT strategy can become a part of the business strategy.		***** We are a client driven organization where IT take orders from business units

Figure 5 Citations by CIOs/ IT managers mapped out in figure 4

From our empirical findings we saw patterns that CIOs/ IT managers who emphasized real time IT strategy where the same managers that theoretically corresponds with Voloudakis (2005) approach of *alignment model* and *blended strategy* rather than the *reactive approach*. The first two ones imply a more modern way of working with IT strategy where the alignment model is focusing on constant development of an IT strategy together with both IT- and business managers and the blended strategy equals a merged IT and business strategy where constant investments in current and future capabilities and technologies are made. Especially the alignment model can be connected to CIO/ IT manager 1 which is discussed above, who stated that working with a flexible and updated IT strategy is crucial for development of the company. Further, this CIO/ IT manager stated during the empirical research that if an IT investment is needed, which will contribute to business growth, the money needed will be found. Moreover, with blended strategy developed by Voloudakis (2005), CIOs/ IT managers

can faster build new technology capabilities and expand the window of strategic opportunity available to the organization, however we found during our empirical research that working with blended strategy only occurred at company 11 and to some extent company 7. These companies are among Swedish largest hence have enough resources and competence to develop strategies of that kind. CIO/ IT manager 10 on the other hand which is explained above with its operational task focus, have strong parallels to the reactive approach where IT supports business decisions. Thus as IT is acting upon a reactive manner rather than collaborative it can create differences in opinion among employee at the firm and from different departments.

Apart from strategic or operational focus some company possess, and how this can explain how the company is working with its IT strategy, it has been discussed when evaluating empirical findings, if it to some extent also is depending on personal characteristics. Hence the Y-axis in figure 4. If so, it can be correlated to what Kodama (2010) argues for, that each manager displays personal leadership style in response to environmental change which form the creation of competitiveness and company growth. Kodama (2010) argues that to develop new positions, strategic partners and trial and error is indeed important. Hence, openness for new ways of working, and how to work with IT strategy development is to a high extend personal specific which therefor explain some managers interest for real time business and strategies, while other are less interested. This have been illustrated in the figure above based on our perception during the interviews with the CIOs/ IT managers.

Thus, there is an increased awareness of working with real time IT strategies among numerous of CIOs/ IT managers as well as from earlier research but our findings suggest a specific segment with CIOs/ IT managers that are more interested and willing to act upon the change needed. These are companies that to larger extend realize the value with constant IT strategic work thus working with as Voloudakis (2005) calls blended strategy and alignment model. Also, aligned with what Kodama (2010) suggests, we believe some personal characteristics are more open for working towards creating real time businesses. It is about personal leadership style which form new ways of working. Hence, to actually cater the basic need of real time IT strategy, CIOs/ IT managers needs to firstly understand the importance of the new ways of working and on manager basis possess the characteristic of change and innovation management, meaning enjoy to work in new unexplored ways. As noticed during our research, the movement towards real time IT strategies has emerged as a response to the development of digitalization. This implies that as companies will be more exposed to digitalization in the future the importance of real time strategies will grow which means that despite some CIOs/ IT manager do not see the importance of working with this today, it can likely change in coming future in order to cater flexibility as a response to digitalization. Hence it can be assumed that companies will move from reactive approach to alignment model, and from alignment model to blended strategy.

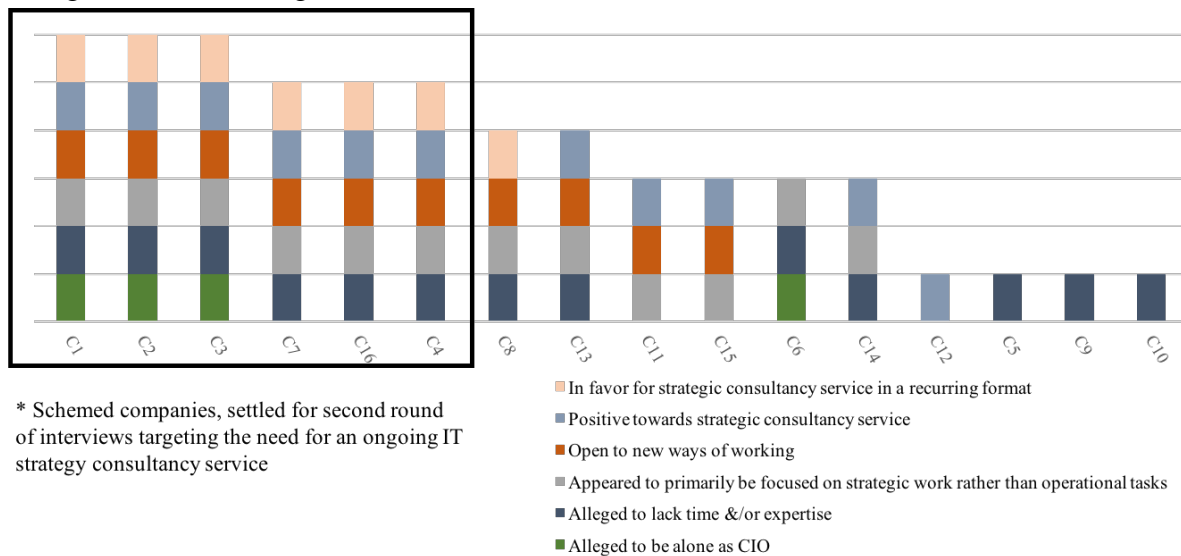
5.1.3 The current need for an ongoing IT strategic consultancy service

Our empirical findings discover an interest of CIOs'/ IT managers' to hire consultants for help with their business' IT Strategy, to keep it updated and take action on latest trends. For many

this is helpful due to consultants' exposure to numerous organizations as Fincham (1999) states. Jang and Lee (1998) explain their expertise within specific areas and the ability to take on several roles depending on situation as valuable assets for customers. The research service Gartner, have been popular and used by several CIOs/ IT managers, 40 % of the interviewed, but there is an indication that there is an interest for a more personalized service, in a way that Gartner have not offered. Numerous of CIOs/ IT managers strengthen Appelbaum and Steeds (2005) argument that an external partner will enable flexibility and speed in responding to digital changes. CIOs/ IT managers argue that consultancies can challenge and develop the IT strategy according to the current business environment. This have been discovered to be of extra importance for CIOs/ IT managers who see themselves as alone in their professional role. Further it strengthens Sharma et al. (2010) argument saying that organizations are operating in turbulent environments hence a need for new strategies that are able to adapt to it. Moreover, there is a great benefit for companies using consultants and to use their expertise which is critical in the consultancy process.

Previous research by Jorfi et al. (2011) state that having a flexible IT organization, is one of the most vital factors to help sustain the strategic alignment and to retain a firm's competitive advantage. Voloudakis (2005) and Keehn & Norris (2003) explain how IT planning must be an ongoing processes using real time information and not a once-every-now-and-again activity. Nevertheless, a consensus was discovered during our research among CIOs/ IT managers regarding the struggles and barriers for working with IT strategy on a continuously basis. Lack of time due to limitation of digital capabilities and modern IT infrastructure as well as time away for operational tasks create incentives not to work continuously on the IT strategy. Instead it has become unison among CIOs/ IT managers to update the IT strategy every year. This is a problem according to Yuri (2015). He states that this traditional way of working and updating the IT strategy, with prioritization of key IT strategic goals and activities to achieve each IT strategic objective may result in the organization working towards goals that have not been updated with new conditions. Despite several of the respondents being aware of this issue and the risk to be locked in old truth and limit the innovation spirit, the "lack of time" factor is a major barrier creating obstacles with working with real time IT strategies. However, working with an agile approach can enable companies to adapt to new projects faster and contribute to fast decision making, something Medredith and Francis (2007) state characterize an agile organization. With this way of working, creates a need of a real time IT strategy, thus also making it easier to work with it. Additional, it strengthens the argument of Janowski (2003) who expressed that having a real time IT strategy is needed to stay competitive in a changing market facing numerous of discontinuous digitalization issues and drivers of change. Hence, in this digitalized era, CIOs/ IT managers need to become more flexible in their work, their IT Strategy need to be updated more frequently not to be locked into old truths and there is an increased need for a personalized service that can help the managers to extract valuable information from a constant hoard of information flow. Continuing, enabling an ongoing IT strategic consultancy service, it is possible that this could help CIOs/ IT managers as many lack time and resources working with the IT strategy and other IT issues.

Table 1 below highlight five key features identified from our empirical study of 16 CIOs/ IT managers. The table illustrate the businesses of the CIOs/ IT managers and how they seem to agree or not agree to the key features we see as favorable for an ongoing IT strategy consultancy service. Six CIOs/ IT managers schemed in the table are positive towards strategic consultancy service in a recurring format, they were open to new ways of working with their IT strategy and other IT issues thus not skeptical to new services. All CIOs/ IT managers faced lack of time or competence within the area of IT strategy which the new service will be to act upon, an area they think is of great importance. In favor for the new service, half of the schemed CIOs/ IT managers see themselves as alone in their professional role. Therefore, as shown in the table, there is a need of an ongoing IT strategy consultancy service. Following analysis in next chapter will be based upon five of these six CIOs/ IT managers which show greatest interest for the service.



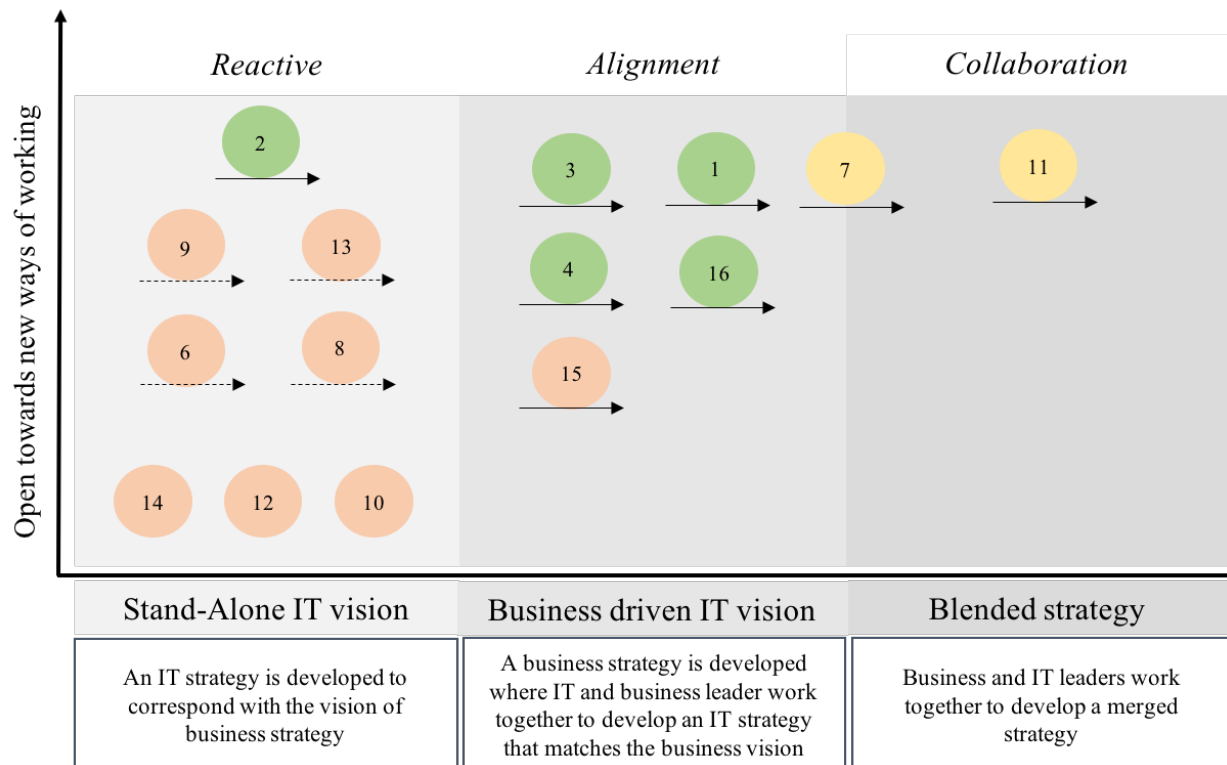
* Schemed companies, settled for second round of interviews targeting the need for an ongoing IT strategy consultancy service

Table 1 Company profile deciding need for an ongoing IT strategy consultancy service

Despite the demand from six CIOs/ IT managers, the table above also illustrate how eight CIOs/ IT managers are lacking some features we believe is important to possess to acquire an ongoing IT strategic consultancy service. The findings vary among those CIOs/IT manager which we did not held follow up interviews with, while some do not rely on consultants working on their IT strategy other did not seem open to new ways of working, such as an ongoing IT strategic consultancy service. Some larger companies believed that time and competence exist internally at the company, hence no need for an external party to help them. Dutton (1994) and Kogut (2000) explain this phenome as organizational boundaries which is shaping how things are conducted in an organization. Santos & Eisenhardt (2005) argue for four elements, efficiency, power, competence and identify which all was brought up for discussion by the CIOs/ IT managers in different ways. Moreover, while some CIOs/ IT managers saw the possibility of broadening its corporate boundaries with a new service, others believed the competence, power and identity should stay in-house hence no need for the service. Among those CIOs/ IT managers that were most skeptical, the make or buy phenome was often brought up as a reason for not buying consultancy service. They state that there must be enough reasons for them not to do it themselves. Kodama (2010) talks about the

knowledge boundary, a common constraint to implement new strategies or new products. He continues with saying that it should rather be seen as a trigger to find new knowledge and competence, and by having network concepts crossing practitioners the knowledge boundaries can expand and create new business models and strategies. Findings from our empirical research have showed that despite many CIOs/ IT managers agree that competence is lacking as new trends and technologies are arising, many feel resistances of hiring consultants for help. This ensure that the knowledge boundary rather is a constraint instead of a trigger as Kodama (2010) said. Hence, we argue that an ongoing IT strategic consultancy service can help many companies and also for those who showed hesitation. The new service need to be pushed out to the companies rather than it will be pulled by the companies. The service is of a new sort and still many CIOs/ IT managers do not see the fully potential with it.

The five CIOs/ IT managers interviewed for the next chapter are illustrated as green circles in figure 6. The figure explains what kind of IT strategy the company work with as well as our perception if the CIOs/ IT managers are open towards new ways of working. As we can see in the figure, CIOs/ IT managers (the green circles) from Stand-Alone IT vision and Business driven IT vision are the two areas of interest for an ongoing IT strategic consultancy service but also to high extent if they are open towards new ways of working. Additional, we believe that companies illustrated as orange circles could benefit from an ongoing IT strategic consultancy service but it has to be pushed towards them as they currently will want to keep their corporate boundaries intact. For example, respondents 12 and 14, who are active within the bank sector, showed a low interest in new ways of working and the IT strategy is driven by the business strategy on a higher corporate level. The yellow circles are large entities within with large amount of resources, hence already work heavily with IT strategic questions. They showed an innovative attitude and openness towards new ways of working with IT strategies but stated that they have the competence and resources needed in-house. A take away from this figure, if emerging the green circles with the orange ones, the key segment for an ongoing IT strategic consultancy service turns out to be small-midsize companies. This segment, due to their size, showed a lack of internal competence in IT strategic issues and lack of time in IT management. However, the willingness to buy IT strategic services depended to a high degree on personal characteristics of that CIO/IT manager.



(Company 5 do not have an IT strategy and is therefore not placed in the picture)

Figure 6 CIOs/ IT managers mapped out based on their IT strategy and openness towards new ways of working, segmented

5.2 The composition of an ongoing IT strategic consultancy service

The second research question was answered based on the second round of interviews with CIOs/ IT managers. Together with previous research on various topics, we analyzed the empirical data and drawn conclusions on how a consultancy firm can compose a new ongoing strategic consultancy service called IT strategy as a service, to successfully meet customers need. Firstly, for the reader to get a better understanding of our research, we briefly introduce IT strategy as a service. Continuing, we will evaluate and describe the service in depth throughout chapter 2.

5.2.1 IT strategy as a service

Based on previous research and our empirical findings of a need for external support when managing IT strategic issues, we have built a framework for IT strategy as a service, illustrated in figure 7. Due to constant changing business environments and unique customer preferences, IT strategy as a service cannot be standardized. Instead it is required to be flexible to each unique customer. As discussed in this research, companies are in need for an ongoing IT strategic service and a strategic partnership. Based on the result of the empirical data, the service aims to primarily deliver a number of consultants working on a client's IT strategy and other IT strategic issues, act as advisor and discussion opponent in IT strategic issues and work on company specific tasks. These tasks are conducted continuously during a subscription period and are business specific depending on the business need. The service requires the consultancy firm to continuously monitor the firm and the external environment.

From these IT strategic tasks, the service can be further developed with add on services that develop and arise over time.

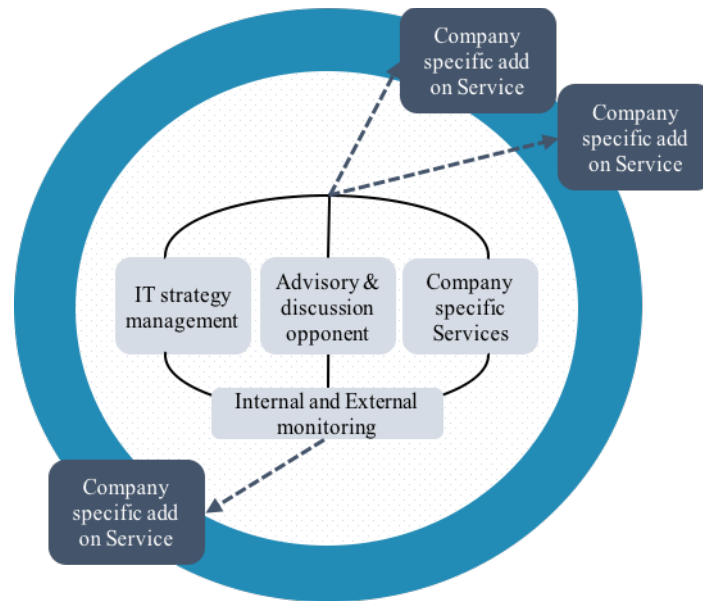


Figure 7 Illustration of IT strategy as a service

From the subscription of IT strategy as a service and close relationship, our aim is that the business subscribing to the service will firstly think of the consultancy firm providing the service when new problems and issues arises. Based on the nature of the service and relationship, it is possible to sell more services than the base offer. Hence, IT strategy as a service is benefited for both parties and should be constructed as a strategic partnership. The subscription model has multiple pricing alternatives due to business specific need which requires flexibility from the consultancy firm.

5.2.2 Key content and activities in IT strategy as a service

In today's rapid changing business environment's, we have discovered that it has become more challenging for CIOs/ IT managers to catch up with or stay ahead of competitors. Information overload and constant new technologies nearly make it possible for CIOs/ IT manager to act upon these. Based on this and further empirical findings which is demonstrating a need for IT strategy as a service, we have developed key- processes and contents of the service.

5.2.2.1 Ongoing process

All CIOs/ IT managers agree upon the necessity of having the service long-term and continuous. This is based on opinions saying that the results of IT strategic work most often appear from long-term work. Thus, from our findings IT strategy as a service should aim to be an infinite service to customers. A behavior that may follow from the empirical findings despite understanding of long-term objectives is the client's requirement that the consultancy firm need to prove short term results, this to understand the value of the service.

To enhance the customer to achieve what Janowski (2003) calls a real time- business and IT strategy and create a process enabling responding and acting upon internal and external changes we have structured IT strategy as a service in a two leveled way; a base and a variable section. Due to business environments increasingly are characterized by rapid change, unexpected shifts and relentless competition, companies have a growing consensus to create more agile and adaptive IT architecture (Chaudhuri, 2006). Managing this business environment requires new information and insights. Consultancy services could be used in order to assist firms in successfully promoting changes (Appelbaum and Steed, 2005). Numerous factors, such as increasing the speed and quality of the work are reasons for using external consultancies (ibid). From the empirical data, we have discovered that CIOs/IT managers have two different needs, managing regular and continuous IT strategic work, and managing deeper investigations or projects for more irregular nature. The divided structure is presented in figure 8 below. It illustrates a reoccurring service, the base, which corresponds to the need of having a continuous service for numerous of years which have been requested by CIOs/ IT managers. Regularly and continuous tasks are the base offering of the service. These tasks are by nature demanded regularly and with continuous management. From these tasks and engagements, additional need and help can be discovered and requested to be included in the service, these are referred to as add on services.

The demand for add on services are of nature irregular, unique for each company and demanded for a shorter and more concise period of time. Thus, from fluctuation in additional needs for consultancy services, which was found in our empirical data, we built the variable structure upon a platform of flexibility and short term demand. It facilitates add on services which could vary each week, month or year, depending on company specific need. This means that the customer has access to the service, however the usage of the service will vary over time, unregularly. The consultancy firm should therefore be able to turn on and of the tap of ad on service in a way requested by their customer. Further we argue it is of importance that the consultancy firm can deliver upon the flexibility requested as it is one of the main ingredients of the service.

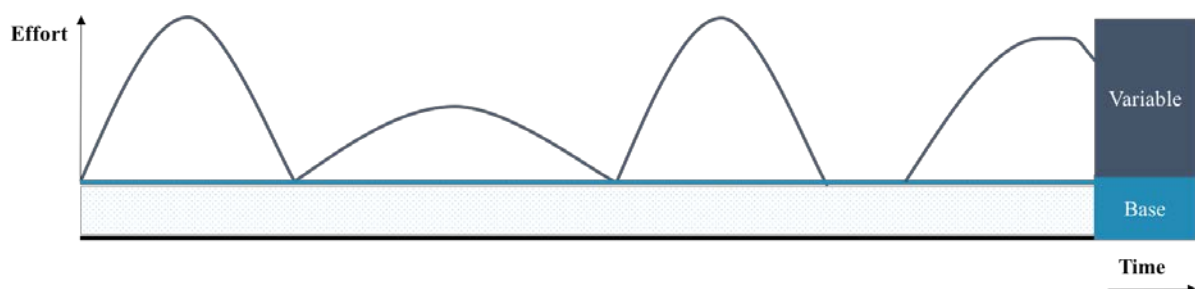


Figure 8 Illustration of IT strategy as a service over time

5.2.2.2 Key content

With the purpose to help, develop and work with IT strategic issues, our empirical study showed that IT strategy as a service should evaluate areas such as Strategic alignment, Business engagement & support, IT project and IT management. Thus imply the demand for IT strategy as a service is primarily strategic and not operational. This appeared during our research as the CIOs/ IT managers did not request a need for help with IT maintenance and

operations. This insight is of benefit for both the company and the consultancy firm since the consultancy service can be of higher quality due to the specialization within IT strategic issues. This was aligned with one CIO/IT manager who states that s/he would not work with a consultant with too broad service offering, instead the consultancy firm should emphasize on their specialization within IT strategic issues. This approach will bring most value to the customer.

Several fields within the strategic area of IT were identified together with the consultancy firm. These were evaluated together with CIOs/IT managers to develop the content of IT strategy as a service. The discovery made it possible to distinguish which fields that should be included in the base and in the variable, or if it was of no interest of all. This is illustrated in table 2. All CIOs/ IT managers want the service to contain IT strategy development, advisory and discussion opponents. The other areas such as external environment monitoring, situation analysis, IT budgeting, new applications and project management were brought up as alternatives to the base, as add on, or not included at all. Hence, as the illustration shows divided opinions of many areas, we suggest that the content of IT strategy as a service need to be truly company specific, apart from IT strategy development, advisory and discussion opponent. To have company specific service is of importance since new customers most likely will require consultancy services within additional fields to be included which was not discussed further with the consultancy firm during the interviews.

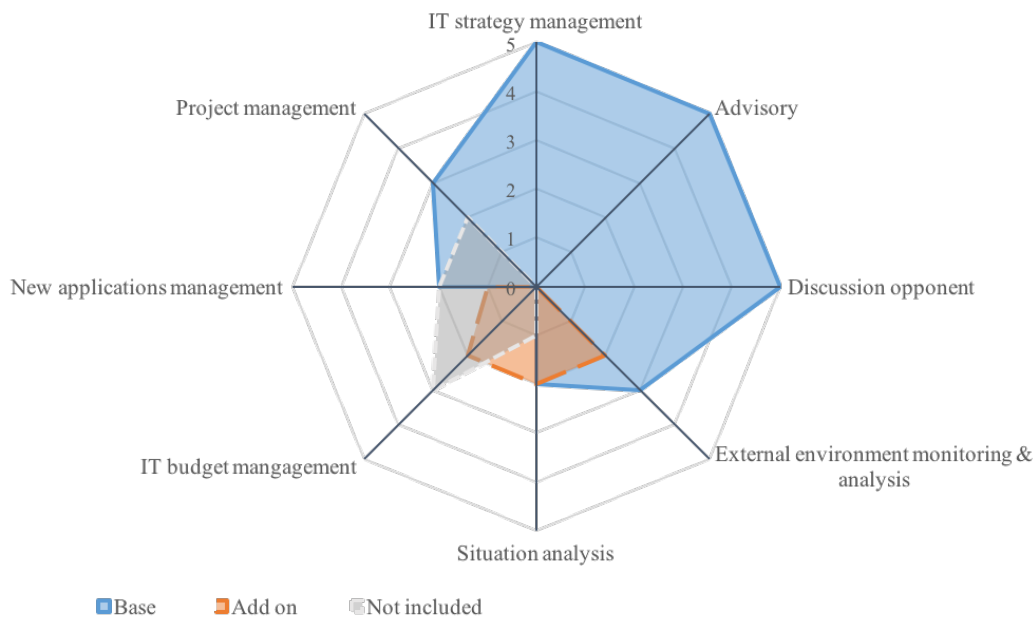


Table 2 Spider diagram of content in IT strategy as a service

From the containment of table 2 we developed a content framework for IT strategy as a service. This is illustrated in table 3. The content is divided in the two sections of base and variable. As shown in the table, the base service will be a fixed workload decided together with the consultancy firm offering the service and the add on will be variable depending on company demand. As mentioned earlier in Key activities, this division of tasks is due to the

constant and regular demand for some tasks, while other tasks vary in when, what and how much depending on each customer.

Content	
BASE	ADD-ON
<ul style="list-style-type: none"> ❖ IT strategy management ❖ Advisory ❖ Discussion opponent ❖ Situation analysis ❖ External environment monitoring ❖ Company specific services 	<ul style="list-style-type: none"> ❖ Company specific services ❖ IT budget management ❖ New application project ❖ Project management
Pre decided workload	Variable workload on demand

Table 3 Suggested content of IT strategy as a service

IT strategy management is to create and continuously work with customers' IT strategy and IT strategic issues. Albrecht et al. (2004) describes IT strategy as; IT is a living plan, a continued process with great amount of user interaction, collaboration and constant feedback. Hence, the traditional way of working with strategies with yearly updates is no longer the way of competing, instead it has to be on continuous basis (Voloudakis, 2005). Therefore, we suggest that by inherent agile strategies that incorporate digital trends, the consultancy firm can secure alignment with the business strategy and aim for a real time IT strategy. This has also been found in Voloudakis (2005) model of Blended strategy. With this approach business and IT work together in parallel and on a continuous basis by taking advantage of business capabilities. Voloudakis (2005) states that working like this will expand strategic opportunities for the business. Therefore, we state that for a company to develop real time strategies an approach of ongoing development and collaboration is needed, hence moving away from when IT is isolated from other business processes. Continuing, CIOs/ IT managers request their IT strategies to be updated by the consultancy firm approximately each quarter. As the service is ongoing, it will be easier in the long run as more understanding about the company will emerge. Thus, via IT strategy as a service, the consultancy firm should work with the IT strategy on a continues basis but the actual update take place each quarter. This is illustrated as an example in figure 9.

Advisory is when the consultancy firm is acting as an IT strategic advisor to challenge and give IT strategic recommendations to CIOs / IT managers (Srinivasan, 2014). This was found to be especially important for CIOs/ IT managers who are alone in their strategic work and need a partner who challenge one. As Chesbrough (2003) stated, companies can benefit from getting ideas, insights and advice from external parties. Having a second opinion and advice could be critical to come up with effective solutions of complex problems (Ehret et al., 2013). Additional, as earlier discussed, this brings multiple benefits for the customer as the

consultant is exposed to numerous of companies thus spreading its knowledge and expertise (Jang & Lee, 1998). With its expertise, we state that an IT strategic advisory is helpful with extraction of valuable information from a large hoard of data found from external monitoring. Further on, the advisor can act as a filter of what is seen as relevant for the client. As an IT strategic advisory it is commonly desired among CIOs/ IT managers that it should take place on a frequent basis. Our empirical data has showed that this service can take place in numerous of activities, via meetings, workshops and participation in management teams.

Discussion opponent is, compared to an IT strategic advisory, an informal role for the consultancy firm which aims to be a speaking partner to discuss all related IT strategic issues the customer might have in mind. As this task has a more informal approach it can accordingly to some CIOs/ IT managers take place over the telephone or as short meetings. Ban and Marshall (2013) concluded that companies that showed openness towards external collaboration outperformed. Thus, from this personalized service, a unique value can be created for the customer. This was strongly demanded by CIOs/IT managers for IT strategy as a service. This requires the consultancy firm to be updated and fast respond to customers need to discuss issues. Also, it requires the consultancy firm to constantly be accessible and available in a short amount of time to deliver the service. There is a risk of occasional customer conflict when demand for the service arise simultaneously.

External environment monitoring and situation analysis is suggested by us to be included in the base even though it is not in majority agreed upon among the CIOs/ IT manager, as illustrated in table 2. From empirical findings it is stated that the two areas are beneficial for the consultancy firm to understand the customer and its internal and external environment thus it could act as a pre study for the service. However, external environment monitoring and situation analysis also need to take place in parallel when the service is running. This need was found in empirical findings and we state it will help clients to work and implement digital/ IT initiatives for improved operations. This is to make sure the customers will be given latest information about digital trends or other happenings in the external business environment. If IT strategy as a service should replace Gartner and Radar, which have been commonly used by CIOs/ IT managers, we believe the external environment monitoring need to be at a high and advanced level and be deeply connected to the customers' industry. Thus pressuring the consultancy firm to constantly be updated to secure their customers will be given the latest information first. An agreement of this sort can be difficult, but important to agree on.

Company specific service is an area we recommend should be included in the base. It was formulated due to majority of CIOs/ IT managers had unique demand of content to the service as they act in unique environments and situations. We consider this area is of importance since the ongoing service have to include all specific help the company are in a need of during a longer period of time, within IT strategic areas. Depending on task this could be time consuming or not, however as a part of the base the time required is not settled.

The second part of the service, *the variable*, is created to achieve maximum state of flexibility and is inspired by agility. Joroff et al (2003) state that IT departments need to deliver applications more rapidly but the lack in flexibility to modernize IT processes is aggravating the movement needed. Agility is identified as a response to this resistance and is needed for IT organization's to respond more rapidly to changing business conditions. This is in accordance with Joroff et al. (2003) who that businesses over time need to be able to quickly and effectively respond to rapid change. Hence, we developed the variable section upon the understanding of IT departments' current pressure of being agile and constantly responding to new business conditions. As identified from our empirical study, businesses environments are changing so fast it is impossible to plan for the future. Therefore, the second part of the service contain add on features which are, to a fully extent, company specific. It is depending on needs that arise as customers' business environment is changing or as internal operations are in a need of change. As no clear service offering could be drawn from the empirical research it strengthening the argument of having an option to add on services. Some suggestions for add on services are made and illustrated in the table 3 and 2 such as analysis and recommendations of IT applications, project management, IT budget management. Whether these will take place depends on short term need the customer connected to the service possess. Hence, the add on services are highly variable both in time and quality and resources needed.

To illustrate the content and key activities discussed above, figure 9 present an outline of how IT strategy as a service could be presented. It shows how the base will be a continuous process with quarterly updates on the IT strategy. Continuing it presents the variable section that vary depending on demand. In the illustration we can see how company specific preparation, external environment and situation analysis are created as a pre-study for the service but also how it will continue as an ongoing process of the service. The workshop is an example of how the company together with the consultancy firm can plan IT strategy as a service. In this example, the pre-study can take place as traditional project to establish a new relationship between the consultancy firm and the customer, meaning if the collaboration is successful, IT strategy as a service will have a larger opportunity to take place. Continuing, it is easier for both parties to understand what should be included in IT strategy as a service after the pre-study, hence the workshop.

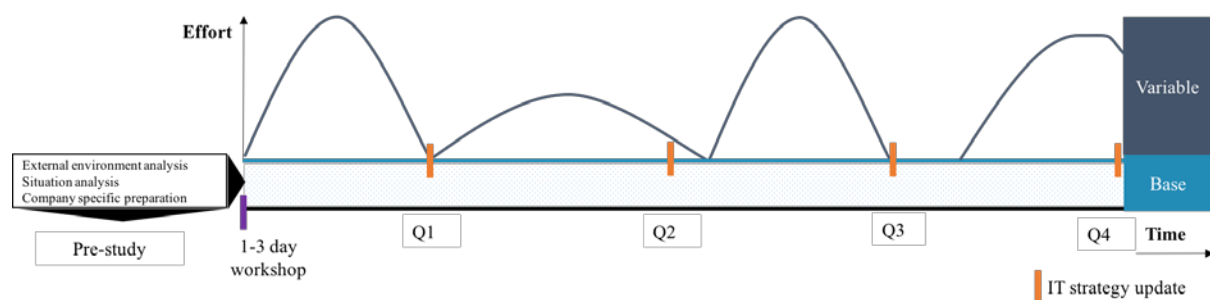


Figure 9 Example of structure of IT strategy as a service during a time period of 1 year

5.2.3 Delivery of IT strategy as a service

All of the CIOs/ IT managers requested long-term partnership, in close collaboration to have transparency and maximize the benefits of having a strategic partner. Santos & Eisenhardt (2005) stated a preferable strategic partnership can be created to better meet changes in the market such as digitalization trends. Furthermore, the new relationship can lead to enhanced efficiency of corporate activities. In order to obtain this relationship CIOs/ IT managers requires a relationship built on trust and loyalty. Zaheer et al. (1998) research is coherent and conclude that a relationship based on trust is a fundamental factor for the partnership to be successful, this result has also been concluded in din previous research. It has been discovered that outperforming companies emphasize on openness towards interactions and response, and from a demand for greater transparency as well as to expand collaborations (Ban and Marshall, 2013). A trustful relationship can then lead to a close collaboration, which is demanded by the CIOs/ IT managers and stated by researchers, to deliver the most value of the service. To build trust in the relationship it is important to create a personalized service and creating value that is unique to each customer and individual (Prahalad & Ramaswamy, 2004), hence is crucial for the value of IT strategy as a service. A partnership is often customized and shown to be of absolute value for firms' strategy work. This is due to many organizations believe that the most dynamic ideas come from other organizations and external partnership is the key to catch these innovation opportunities. From a relationship as a partnership, the service can create personalized firm value that is unique to each firm (Prahalad & Ramaswamy, 2004).

Despite the coherence among having a partnership structure, some CIOs/ IT managers highlighted criticism towards only partner up with one firm. From earlier research, Ban and Marshall (2013) say that partnership could be build up as a portfolio of relationships, across different ecosystems. Moreover, a company should partner with different organizations because of both long and short term reasons (Duysters & Man, 2003). The question is then, if developing close partnership with one consultancy firm will the creativity and innovation spirit be limited. Partnership is becoming more and more normal in today business, and it is a good way to secure different kind of resources, but to only partner up with one firm might risk the benefits of having a network with ecosystems, if not the consultancy firm could offer that too. Another take away to highlight regarding the partnership structure is that despite the coherence among using a partnership structure, it can be complex to understand whether how IT strategy as a service truly is a partnership. Thus, as a two-way relationship it is important for both parties to understand what is expected of, and of value, for each actor.

5.2.3.1 Presence

Our empirical research showed that CIOs/ IT managers do not need the consultants to be physically presence at the office when IT strategy as a service is delivered. However, the consultants at the consultancy firm state that customers have showed skepticism towards the work when the two actors do not meet physically. This is aligned with Jang & Lee (1998) which mean that the most successful work by consultancies are in combination with existing capabilities at the client's firm. This indicates that to perceive a high value of the service and

task conducted, physical presence is needed regularly. For those CIOs/ IT managers who criticized consultants work, it was often grounded in the perception that consultants do not include the client's employees. This is according to Jang & Lee (1998) not a good process for collaboration. The two parties need to work and collaborate together, thus have a physical communication as in the future the client need to understand and be able to use everything that the consultant developed at the client firm. Working at the customer's office will also affect the trustworthiness and build the relationship closer, which is a necessity according to Ramaswamy & Ozcan (2013) who argue that to achieve partnership a joint process of co-creation need to take place. Additionally, by being physically present at the customer's office it will create opportunities to catch challenges and develop new ideas. These can potentially lead to add on services. This set up is aligned with Chesbrough (2003) findings who argues for the open process of harnessing external ideas and insight via partnership while leveraging internal knowledge outside current operations. As earlier research stated, we argue that for IT strategy as a service to be successful, the consultants need to be present at the customer's office on a regular basis. It will create trust and deeper commitments to each other hence open up opportunities for offering additional add on services and as Dawes et al. (1992) argued for the direct relationship is important hence they are active in an industry where new orders largely come through recommendations.

5.2.3.2 Level of engagement

From the empirical findings CIOs/ IT managers showed varying interest of engaging the consultancy firm in IT strategic issues. Some need the consultancy firm to take on the full responsibility of managing the IT strategy. Others stated a need in support in their IT strategy management and other IT strategic work. Similar findings were found in the time needed for the consultancy firm to performing these tasks. This varying demand requires the consultancy firm to stay flexible towards customer's demand and willingness to outsource tasks. The level of engagement and time spent on each customer will be unique and depending on customer specific demand, CIO's/ IT manager's competence, time and openness towards collaborating. One aspect to consider regarding level of engagement is the grey zone of ownership of unique projects and IT strategies in IT strategy as a service. This has been highlighted by several CIOs/ IT managers as an important factor to keep internal. Simultaneously with this, the consultancy firm will be the one responsible to leverage, build and deliver what is promised. Thus, it is of importance to communicate and agree upon where the level of engagement for both parties should begin and end. Another example is if the consultancy firm take on the responsibility to monitor external environments, whether the consultancy firm should have complete responsibility or be an extension to the current work need to be clearly defined for IT strategy as a service to be successful.

5.2.3.3 Degree of boundary

As discussed in theory about boundary management by Kodama (2010), we state that IT strategy as a service will challenge the current boundary of two firms in partnership. In alignment with Kodama (2010), the partnership from this service is expected to change the current efficiency, power structure, competence and identification of corporate boundaries.

Further on, IT strategy as a service is complex. The service is structured and demanded as an ongoing long term partnership between the two firms which are expected to ease up the clear boundaries and become more integrated over time. The new structure can change the businesses corporate boundaries which Santos & Eisenhardt (2005) expected will enhance efficiency of corporate activities. However, from our empirical study we consider the client to be the one deciding to what degree it will accept external help via IT strategy as a service. D'Aveni (2001) and Santos & Eisenhardt (2005) refer to this as how the boundaries will determine the area of organization influence and control. Depending on where companies allow their boundaries to be, it will affect the power of external forces. Hence, opening up for external parties, IT strategy as a service, can change the way the organization is shaped and how to approach future growth. The degree of control and power differ among CIOs/ IT managers where some require stricter control over the work than other. As IT strategy as a service mainly is on management level the managers control will therefor affect the boundary between the firms and thereby the spread and influence the service can have on the client. This imply that for IT strategy as a service to be successful clear communication of control, power and transparency between the parties is important.

5.2.4 Pricing of IT strategy as a service

Forman & Hunt (2005) argue that pricing strategy is of high priority due to its direct impact on revenue and as IT strategy as a service is created to be an ongoing service, it is of importance to find a price structure attractive for the clients continuing over a longer period of time. This section is very essential, findings from our empirical research show that many CIOs/ IT managers dread for commitment to high costs without any clear results. If the service is too costly, the clients will, instead of buying the service, limit its boundaries and make it themselves. Additional, for smaller and middle sized companies who, according to our analysis in section one have a larger demand for this service, could also be the ones that are most price sensitive. For example, one CIO/ IT manager states that their company do not have a CIO on full time due to limitations in resources for a full time position. In those circumstances IT strategy as a service can provide strengths for clients without resources to build in-house competence. Hence IT strategy as a service need to have a price level which is below the cost of a full time CIO within the firm's industry.

5.2.4.1 *Subscription*

According to Lancioni (2005) the price itself is one of the most flexible parts of a marketing mix as it easily can be adapted to changing business environments. This is of high importance for IT strategy as a service as it will run over a longer period of time hence need to handle changing business conditions. One sustainable business model that have been successful in many industries and that favor long term relationships is subscription services (HRG insights, 2008). The customer signs up to IT strategy as a service and access the service from the partner providing it. The structure is based on a base offer where other services can be added to the existing subscription to a discounted price than originally offered (HRG insights, 2008). From a customer perspective the value partly is convince, no re-order has to be made every quarter/month. The empirical findings show that CIOs/ IT managers are willing to commit on

a yearly basis, with monthly payments. As a strive of making the service more long-term, CIOs/ IT managers are willing to extend the service if pleased with the outcome. Based on analysis of our empirical findings and as concluded by other researchers, the subscription model can focus more on what is really benefits of one specific client. From the subscription model, the consultancy firm must constantly be aware of the user needs, what is working and what is lacking since the subscription can be canceled by the user if they no longer perceive value (HRG insights, 2008). Moreover, the usage of subscription service for IT strategy as a service will enable continuous improvements and enhanced performance for the client and a platform for the consultancy firm to continuously sell other add on services. Thus with constant work on the subscription and the content of the service, IT strategy as a service will deliver value to the customer and thereby be a revenue stream for the consultancy firm. Having a subscription structure for IT strategy as a service will positively impact the customer providing results aligned with business objectives rather than depending on project plan. It could be seen as an extension of the clients' team. To achieve this, we have developed a framework for payment structure enabling recurring sale and flexibility at the same time. This is built up on same structure as the service, via a fixed model for the base pricing and a variable model for the add on pricing. This new revenue stream can secure long term business and mitigate risks via the possibility to predict revenue through continuous sales.

In unity from both HRG (2008) and CIOs/ IT managers we have decided that the base pricing of the subscription will be a fixed price settled during negotiations with customer regarding exact content of the base service. This is beneficial due to the fixed structure of base, indicating the superfluity of having it as time and material. Taking advisory as an example, something which is difficult to set a price on according to several CIOs/ IT managers, hence the importance of fixed price. From our empirical research and our evaluations, we found that the add on pricing for the variable section of the service can take place in different formats, pot of time and material, fixed price per project and traditional time & material. This is illustrated in table 4 and further outlined below.

BASE PRICING	ADD-ON PRICING		
Fixed price	Pot of time & material	Fixed price per project	Traditional time & material
<p>Pre-decided amount of work used continuously during subscription period, with a set price.</p> <p>Fixed price depends on settlement with client where negotiated content should be included.</p>	<p>A pre-decided pot of hours available to use during subscription period used for add-on services.</p> <p>Lower price level compared to time & material due to commitment.</p>	<p>A fixed price per add-on service correlated with company size used for add-on services.</p> <p>Each add-on project have a pre-decided fixed price.</p>	<p>Traditional time & material pricing for add-on services as demand arise.</p>

Table 4 Suggestions on the subscription payment structure of base and add-on

Pot of time & material: A fixed pot of hours during the subscription period which is decided between the customer and consultancy firm. The amount of hours can be used during the

subscription period but not after expiration date. Beneficial for the customer is the lower time and material price offered and beneficial for the consultancy firm is the pot of hours they know will be used which secure future revenue streams. One contingency is if the client will feel pleased with the pot and therefore not extend it despite demand.

Fixed price per project: Each possible add on service the customer might be in a need of have a fixed price. With this, it is easy for the customer and the consultancy firm to understand what will be included in the service and to what price. The fixed price must be correlated to the company size, as likely the larger company the larger project. This could be a difficulty for the consultancy firm, to pre-calculate many kind of projects/services for each customer.

Traditional time & material: The customer will pay for each consultancy hour used. Beneficial for the customer is that no commitments to a fixed pot of hours need to be conducted. The consultancies benefit is that it can pay normal price per hour for the help needed. However, it become more difficult for the consultancy firm to plan future revenue.

5.2.4.2 Payment advancement

To advance the subscription service one suggestion is to add a three level structure of gold/ silver/ bronze, illustrated in figure 10. This have been discussed with and requested as a payment alternative from several CIOs/ IT managers. According to HRG insight (2008) this is commonly used in Software as a service providing several packages to cover different customer need. The advancement could open up new ways of delivering value to the customers through unique levels of quality, response time and extra features suitable for IT strategy as a service, the consultancy firm and the customer. To illustrate the levels, response time could for example mean one-day response time for acceptance of an add on services for gold instead of four days for silver. Extra features could be access to network of CIOs/ IT managers which the client only will have access to via the gold level subscription. This could enable new revenue streams for the consultancy firm. Despite the possibilities with the advancement, we believe it would require more insight and experience form working with IT strategy as a service to understand the new service and how to packages it in the different levels.

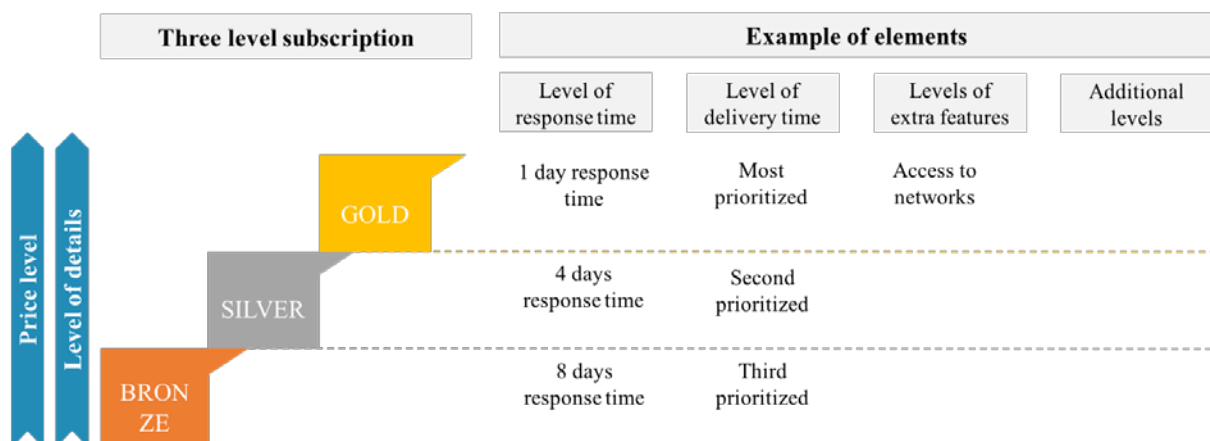


Figure 10 Example of advancement for subscription

5.2.5 Critics towards IT strategy as a service

To summarize, IT strategy as a service is an ongoing service that can be used by companies to faster respond digital market changes. However, there are some critics to IT strategy as a service to take in to account. The content of the service is as mentioned highly company specific and therefor hard to standardize into one delivery model. Therefore, it is possible that the delivery of the service may be different depending on the company demand. This can also lead to that customers find the concept of the service unclear and therefor hard to sell. Also, providing customers with advisory can be unclear to what is great customer service and a sign of a good relationship and what advisory is part of the service that is included in the base service. However, over time and the closer relationship the two parties have, the better defined is the boundary between good relationship and advisory service.

Furthermore, the respondents' different willingness to subscribing to the service is still a bit unclear. It could be so that the respondent is initially skeptical to be bound to pay regularly payments each month/quarter for the ongoing service, however, they may be more open to it when they are using the service. It is also important to acknowledge that the IT strategic issues can be sensitive information and companies are hesitant to use external parties for managing it. Continuing, one risk we found via our findings is that IT strategy as a service can emerge to become too much operative rather than strategic, as the service aim is to help clients with short term issues. Strategic work often requires more carefully prepared work.

5.3 Internal implications on the consultancy firm

The third research question, discuss the implications IT strategy as a service will have on the consultancy firm. This was analyzed through the empirical data from internal interviews with employees at a consultancy firm and some comments from CIOs/ IT managers together with literature on the topic.

To be able to develop and commercialize IT strategy as a service, several shifts will have to be implemented at the consultancy firm selling the service. It refers to both short- and long term changes. It includes organizational processes, staffing and capabilities which each consultant need to develop. Figure 11 illustrates, in dark blue, key factors that will be brought up during analysis below as these are the factors we believe will be most affected during the commercialization of IT strategy as a service.



Figure 11 Internal implications when commercialization of IT strategy as a service

5.3.1 Organizational processes for IT strategy as a service

We can identify all major shifts that will occur internally during the commercialization of IT strategy as a service as a larger process with parts that needs to go hand in hand with each other. The above boxes in figure 10 illustrate internal parts of the process which the consultancy firm will have to act upon. While realizing IT strategy as a service we suggest trial and error to be the best way to come to consensus. This will result in constant development of the service and understanding of other questions such as optimal response time to customers. It will also secure the development of best practices which can be used during the selling process to new customers.

5.3.1.1 Confirm service delivery and selling process

Despite that IT Strategy as a service itself need to be customer specific, the framework we developed is to simplify the work for each consultant and create a clear communication process among the consultants and customers. Jang & Lee (1998) argue for standardization and say that a consultancy team who have the ability to autonomy their work ahead can increase the efficacy in the work. By doing this the consultant can then lay extra time on what requires understanding and creativity. As the consultancy firm have offices at different locations in Sweden the documentation of IT strategy as a service is indeed important. The consultancy firm need to establish and agree upon our recommendations together with existing internal knowledge about the area as well as add additional insights if needed. The layout of the service, the selling procedure and the requirements decided by the consultancy firm need to be communicated throughout the consultancy firm together with a plan and objectives of how to approach this in the best way.

5.3.1.2 Multiple accounts for IT strategy as a service

From previous analysis in chapter two, we have identified that a structure of organizing for IT strategy as a service is needed to successfully offer the service to multiple firms simultaneously. This is due to the demand for the service varies over the year, thus a risk in fluctuations in customer demand over time. The relationship and structure of the service, requires the consultancy firm to respond to requests fast. The response time and start up time on a customer's request for help in certain IT issues can vary depending on its complexity. However, it is strongly demanded from CIOs/ IT managers that the response time on a request is fast and professional, due to the nature of the subscription service. This requires the consultancy firm to be flexible in their response and delivery of service towards the customer.

They also state the need for the consultancy firm to be flexible in their engagements and relationship. CIOs/ IT managers demand the possibility to flex between the amount of consultancy work depending on demand. They request to easily speed up the amount of work and to slow down the work, "turn the tap on and off, whenever I want" (Respondent 1, 2016-04-04). A parallel to this can be drawn to Bajzikova et al. (2013) who argues for the increased importance of having a flexible workforce which is due to increasing demand from customers. She sees this as a survival factors for firms during times of rapid changes. Having a structure like this, the business can adapt their organizational structure and establish flexible work force depending on customer demand. Moreover, we argue that the flexibility towards the customer depend on the consultancy firm's ability to organize internally. This will be of high importance due to the nature of IT strategy as a service. Continuing with findings, our empirical research show that one consultant at the consultancy firm believe having the structure of a subscription can make it difficult to grasp the customer, meaning it will be hard to keep track of what is going on. However, a result from an ongoing relationship, we believe that the consultancy firm will by time learn the firm's business cycle and its future challenges, hence develop better forecasts of customer demand. This will be critical when organizing and staffing for the service. As mentioned above, with multiple customers subscribing to the service, there is a risk of fluctuation in customers' demand for the service taking place simultaneously. However, to solve this issue and to be able to on short notice answer to customers' request, it require the consultant to be ready and available. This would require the consultancy firm to not have 100 percent capacity on the consultants, which in turn affects the revenue stream. Thus, form our empirical study we can see an internal complexity in handling the new service. Furthermore, we see a benefit of setting the capacity of workload on less than 100 percent due to time available on building new relationships with potential new customers and be available for the customers need. To find the most ultimate solution between revenue generation and standby for availability, we believe trial and error is needed.

5.3.2 Staffing for IT strategy as a service

IT strategy as a service require a new way of working compared to traditional projects at a management consultancy firm. Due to this, it is of importance to be aware and consider factors, team constellation and capabilities needed for IT strategy as a service during recruitment to the consultancy firm offering a such a service.

5.3.2.1 *A mix of consultants*

CIOs/ IT managers request to have contact and build the relationship with a senior consultant. They state a higher trust towards senior consultants with a certain level of knowledge, understanding and previous experience within their work to be of best quality and value for the customer. Since IT strategy as a service requires high amount of trust and loyalty, the relationship between individual persons are most important for most CIOs / IT managers rather than the relationship with a consultancy firm.

From empirical research we have identified that in order to deliver IT strategy as a service to multiple firms, both junior and senior consultants are needed. CIOs/ IT managers showed an

openness towards using junior consultants as well, if the senior consultant approves the quality of the work. By using junior consultant and senior consultant CIOs/ IT managers suggest the possibility to decrease the price of the service. However, it can be a challenge to structure IT strategy as a service due to traditional consultancy services are based on the skill of an individual. IT strategy as a service on the other hand is based on the skills of an organization. Due to this, the service requires more organizing and structure and is therefore more challenging from a service perspective. To advance the service, more trust and transparency is needed in the relationship. That is something that cannot be sold, it has to build over time. Once again we emphasize on the importance of being available for meeting new potential customers and build trust and awareness of each other. Hence, consultants must have available time to build and manage customer relationship and not be fully occupied by current work engagements. Hence the benefit of having a mix of junior and senior consultants for each client using IT strategy as a service.

5.3.2.2 Responsible coordinator

Due to all of the CIOs/ IT managers demanded a relationship with the consultancy firm based on trust and high industry and company knowledge, we suggest a senior consultant to be responsible for the service provided to the customer and act as a coordinator of the service towards on client. The empirical research shows a need for a responsible person organizing IT strategy as a service. Senior consultants are expected to have the capability to coordinate multiple tasks simultaneously, due to their broad competes and consultancy experiences, hence a suitable coordinator of IT strategy as a service. We assume that the coordinator, responsible for the service, is critical for the service to be able to provide one point of contact to multiple firms during the same time span. To provide the service and be flexible towards the customer, the consultancy firm need to staff with junior consultants that perform the underlying tasks, such as research and produce the work. As mentioned earlier, this work must then be approved of quality and delivered by the senior consultant to ensure value of the service. The coordinator responsible for the customer relationship will over time better forecast the customers demand for IT strategy as a service and better staff and coordinate the workload between consultants. However, having a senior consultant performing as a coordinator there is a risk s/he become more of an administrator. This would result in wasting valuable resources. An alternative to a senior consultant being a coordinator is to hire an assistance taking care of administrative tasks that arise with the commercialization of IT strategy as a service.

5.3.3 Consultants capabilities for IT strategy as a service

The empirical findings show that CIOs/ IT managers demand the consultancy firm to have in depth industry knowledge and company specific knowledge. This is in line with previous research that argues for a successful project to the client, the consultant team must obtain expertise's and knowledge in specific areas. For IT strategy as a service it is therefore important for the consultants to have a deep understanding and experience of the firm's industry. Some CIOs/ IT managers demand an expert within the certain field to ensure quality and knowledge and to start the service. Fincham (1999) stated that, often, external consultants have both a wider and deeper perspective of the environmental complexity, due to their

exposure to numerous organizations which is needed and requested by CIOs/ IT managers. From the empirical data from the internal interviews, the ongoing IT strategy as a service will enable the possibility for the consultancy firm to become more accurate in helping others, to truly get a deeper customer insight and industry knowledge when the service and relationship continuous longer than normal short term project basis. The service has the possibility to gain a foothold and accelerate skills as a snowball effect that can be used and spread to other customers.

For a customer using an external firm for managing certain tasks is most often due to an expertise within an area. However, this may not be important in all tasks in the service. The consultancy role can also include being knowledgeable in how to structure and present problems, be creative with new ideas and how to profit from them (Jang & Lee, 1998). Showing expertise within a field and broad industry knowledge was argued by CIOs/IT managers to be most valuable in the beginning of the relationship to establish trust and confident in the service.

5.3.3.1 Time management

As mentioned above, with multiple customers subscribing to the service, there is a risk of fluctuation in customers' demand for the service taking place simultaneously. A consequence of this could be that the work lacks quality, if the workload is larger than what each consultant can handle. If the consultancy firm commits 100 percent of its workforce it will be difficult to rearrange and commit to new projects or demands from customers. This can result in quality issues which in turn can lead to a decline in demand of the service. The expected fluctuation in demand is also risking to have a stressful effect on junior consultants to manage many customers work simultaneously. To mitigate this risk, it is important to work with time management to utilize time available.

To summarize the internal implications of developing IT strategy as a service are large on the consultancy firm. To succeed in the service offering it is important to have a mixed competence and seniorities among the staff. To minimize the risk of having multiple customers lead to stress among the consultants and decreased quality of the service, it is important to not fully occupy the consultant. It is important to find the equilibrium, optimal number, of customers assigned to the service versus maximizing revenue streams. IT strategy as a service also demand an assign a coordinator for the service to structure the workload among consultants and staff each customer right. As mentioned previously, the customers demand a senior consultant responsible for the relationship. Senior consultants have more experience and more competence than junior consultants and need to work closely to transfer knowledge and knowhow to build junior consultants capabilities. This further emphasize on the importance of not work on customers' assignment with full capacity to have margins for spending time on establishing a great relationship, built on trust and loyalty. This is a challenge for the consultancy firm, to develop process that meet all these conflicting constrains.

6 Conclusion

This chapter aims to answer the sub questions and the research question, based on the empirical data and analysis presented. First, we present our contribution to academic research and the research question will be answered. We then present recommendations for the consultancy firm and lastly, give recommendations on further research.

Today, companies are increasingly vulnerable due to rapid digital changes in the market. The digital developments and changes in customer demand requires companies to respond fast. Having a real time IT strategy is increasingly important and knowing how to respond to digital changes and still be flexible when market changes occur. To manage IT strategic issues better, a consultancy firm can provide new insights and help structure and manage IT strategic issues continuously. Therefore, this study has investigated how a consultancy firm can better meet companies IT strategic challenges by developing an ongoing IT strategy consultancy service.

6.1 The current need for an ongoing IT strategic consultancy service

All industries and companies within it are facing digitalization, each exposed to it in a unique way. It requires CIOs/ IT managers to change and constantly develop and innovate how they are working with IT strategies. Several researcher write about the increased query of how companies can exploit and implement strategies of new products/ services or entering to new markets under dynamically fluctuating environments. Real time businesses and strategy's need to constantly change when the business environment is changing. Companies need congruence with external environment and dynamically transforms its companies' corporate boundaries to influence the company itself. Our research has showed that this is a huge challenge for CIOs/ IT managers. The complexity of digitalization is creating barriers for CIOs/ IT managers to approach their IT issues and opportunities and as there are not right or wrong ways to success, many CIOs/ IT managers are confused. Continuing, despite the need of working more real time with IT strategies numerous of constraints are limiting the movement. It requires a new way of thinking, it is a movement from traditional forecasting to trial and error and to be able to extract information and use it in valuable ways. It requires time, competence and creativity to constantly be up to date, understanding how to respond to digitalization. Due to current challenges, several CIOs/ IT managers showed greet need for an ongoing IT strategic consultancy service, hence explaining its overall demand. However, while several CIOs/ IT managers see the need for an ongoing IT strategic consultancy service to help with these challenges, others are skeptical. Identified from the research, the opinion of the service is about personal willingness of trying out new ways of working, and regarding what strategic or operational task focus the CIOs/ IT managers currently possess. Due to the divide opinions of such service, it is purposed that for a start, an ongoing IT strategic consultancy service will have to be pushed out the customer rather than it will be pulled by the customers.

6.2 The composition of IT strategy as a service

Service development itself is required among many industries and companies today, hence consultancy firms need to adjust for its clients so they can respond to opportunities and challenges in a more flexible way. Via service development we developed IT strategy as a service. IT strategy as a service will enable broadening of client's corporate boundaries. By allowing consultancies to apply the service onto the customers' IT strategy and other IT issues they need help with it can enable higher flexibility resulting in the company being able to respond to digitalization in a more efficient way.

The whole service, illustrated in figure 12, is built up to be flexible and company specific. We were able to develop a framework which is built to change for each customer, unique in its environment in which it operates. The content of the service is put together of a base and a variable where the base offers a continues service to the customer via a long term partnership, partly with focus on IT strategy and advisory but also company specific needs. The variable section offer services based on company specific demand. To ensure the highest quality of the service, the delivery of IT strategy as a service is a long term partnership built on trust, loyalty and commitment. The pricing of the service is built to offer the highest flexibility for the customer, in a subscription format. While the base service will be paid via a fixed price structure the variable section will have different alternatives for the customers and the consultancy firm to agree on together.

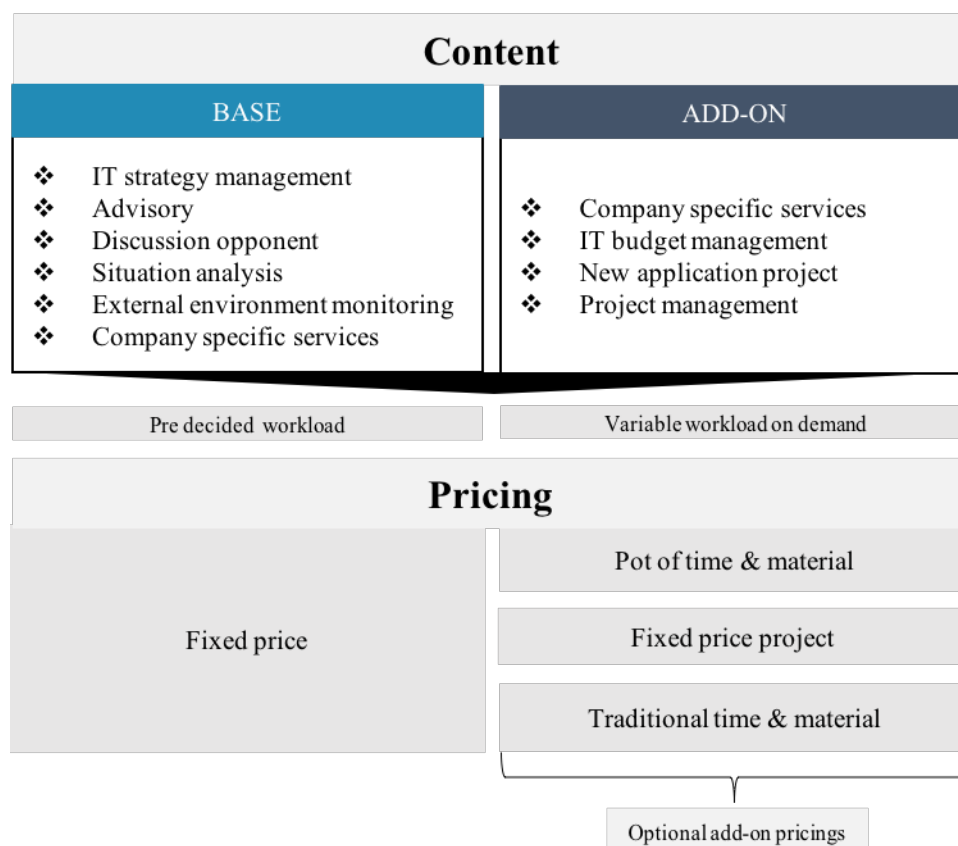


Figure 12 Content and pricing of IT strategy as a service

The service itself have some challenges that needs to be addressed. The balance in power structure between the client and the consultancy could be complex and understanding where the boundaries are can be difficult to understand prior entering the subscription service. The challenges arise together with the partnership that lies between the client and the consultancy firm. However, as the consultants contribute with competence and knowledge the trust can grow among the partners and loyalty will take place which is setting the ground for partnership in long term perspectives.

Continuing, as digitalization will continue to expand and become an integrated part of companies, companies will be expected to know more about many additional areas than what is required today. For some companies this phenome is complicated thus can be solved via networks among companies taking advantage of each other's core competences or by consultancies offering their long term services enabling companies to respond quicker in a changing market. Hence, despite that many CIOs/ IT managers will not buy the service today, the development of digitalization and the requirement of losing corporate boundaries will lead to more firms accepting new ways of working. As a truly company specific service, IT strategy as a service will offer the help each CIOs/ IT manager that are in a need of help today as well as in the future. By using the developed framework presented in the analysis the consultancy firm will be able to try out the service onto specific customers and via trial and error develop a more concrete service model that might be more precise and applicable for additional clients.

6.3 Internal implications on the constancy firm

With the commercialization of IT strategy as a service, internal implications will arise at the consultancy firm which the firm need to act upon. It will require a new way of working as the consultants will lay less time on each client per week/ month depending on subscription. It is much likely that the consultant will work on several customers but during a longer period of time. It can become challenging to handle multiple accounts however with time, a professional relationship can emerge which simplify the work. With this, snowball effect of knowledge and understanding of client's business cycles can emerge which are additional benefits for IT strategy as a service. With this in mind it is important that the consultancy firm creates processes that guarantees everything goes together. Having a coordinator responsible for the service and the customer relationship could be a solution to that. The coordinator of the service is to manage the right competence and staff on multiple accounts simultaneously. The number of subscribers simultaneously have to be determined through trial and error to conclude how many accounts can be serviced continuously at the same time. The coordinator of the service is also to ensure continuous customer satisfaction in time spent on tasks, the quality of the work and to make sure consultants continues the sales activities to new potential customers as well.

An aspect which the consultancy firm needs to take into consideration is the movement towards digital strategies. What will happen in the future when companies no longer need or want and IT strategy? If working with a strategy of that kind, IT strategy as a service will

need to be developed to help companies with those issues and this will require a broader perspective of strategic questions, thus not only the IT perspective itself. We argue for IT strategy as a service need to be flexible itself in order to offer its clients flexibility in an era where digitalization is deciding the direction to success.

6.4 Meeting changing customer demand and digital market changes by developing an ongoing IT strategic consultancy service

Based on the empirical findings and analysis of the three sub questions we can answer the main research question. In a digitalized era, a consultancy firm can develop an ongoing IT strategic service. Due to the rapid changes in the market with new technology and new customer demand, there is a need for an ongoing IT strategic service. IT strategy as a service must be flexible towards company specific needs. Based on this, the service can be delivered through a base service and a variable service. The base of the service aims to continuously work with IT strategic issues that are common for companies. Thereafter, each company can then add additional services to the service due to their specific need. Due to the close partnership and long term relationship, companies can manage complex issues together with an external party that are familiar with the organization, have great competence and industry knowledge and know how its challenges can best be managed. However, the relationship could be complex between the two parties where boundaries will set the ground for how extended IT strategy as a service can be. Through trial and error of the service, will help to set clear the boundaries between the company and the consultancy firm. The most optimal framework and optimal accounts can best be found through trial and error on multiple companies.

Throughout the thesis we aimed to add new insights to the growing demand for working continuously with IT strategies. We found this was of extra importance as such theory, within the area of consultancy industry was scarce. Continuing, aligned with the purpose of this study to develop a framework for a consultancy firm, we developed a framework called IT strategy as a service to increase business flexibility and customer value in the IT strategic service.

6.5 Recommendation and next step for the consultancy firm

The first step for the consultancy firm is to decide upon the structure of selling process as well as the whole framework of IT strategy as a service. When decided, the service should be communicated throughout the organization, both towards junior and senior consultants who can sell the service and give inputs for improvements. As this service require trust and long term relationship it is important for junior consultants to know about this service as it could be helpful when the junior consultant in a later stage is a part of selling procedures. For the exact structure of IT strategy as a service, we suggest the next step for the consultancy firm to choose a few small or medium sized companies where a pilot can be tested. To get started quickly and not waste time on long selling procedures where relationships are not established,

we recommend that the consultancy firm to choose customers which they already have good relationship with. Via the pilot test, the consultancy firm can form and test a concept that is benefited for both parties. If successful, the structure of the service has the possibility to be extended to other customers or it can be further developed through trial and error. By doing more than one pilot, the consultancy firm can compare and take advantage of the experience from the different cases. Further on, by commercializing the service the consultancy firm will understand the implications it has on the internal processes thus they can be developed accordingly with the new service. Additionally as the new service is a complement to existing service it is important that consultants can work with both in parallel. In the long run as more customers will use IT strategy as a service it will be of importance to use a coordinator to schedule and plan the work load as smoothly as possible.

Additional, to simplify the selling process we suggest the consultancy firm to take advantage and use the characteristics identified from the CIOs/ IT managers interviewed. By understanding which CIOs/ IT manager demand a service of this kind and to understand those who need a push, the selling process can be modified to each CIO/ IT manager.

6.6 Further research

Due to limitations in time and theory, our focus has been on the demand of the service and further on how the service should be delivered, its content and the pricing structure. However, there are numerous of additional areas which could be interesting for further research. However, further research could be to try the service on multiple companies to evaluate the framework and the outcome. Via this case study it would be interesting to find out if there is an optimal pricing structure of the new service. Continuing, IT strategy as a service is changing the way consultancy normally work thus from a make or buy perspective, additional research could be how this service affect the boundaries between the parties. For example, how will the power, control and risk sharing change between the two parties when using IT strategy as a service.

From an internal perspective, it is important for the consultancy firm to find the optimal number of customers assigned to the service at the same time. Hence it would be interesting to do a case study on how managing multiple accounts simultaneously affect the consultants service quality. We believe this is best evaluated from trial and error together with earlier research touching upon the subject.

From the research we found that CIOs are facing multiple challenges due to digitalization hence IT strategy as a service has been suggested as a solution for companies to better respond to digitalization. The question is then, if delivering consultancy service on an ongoing basis potentially could be applicable in other areas within a firm. Therefore, it would be interesting for further research to discover if subscribing to a consultancy service could be applicable to other areas as well, not just IT strategy consultancy.

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8 Appendix

1. Respondents for interviews

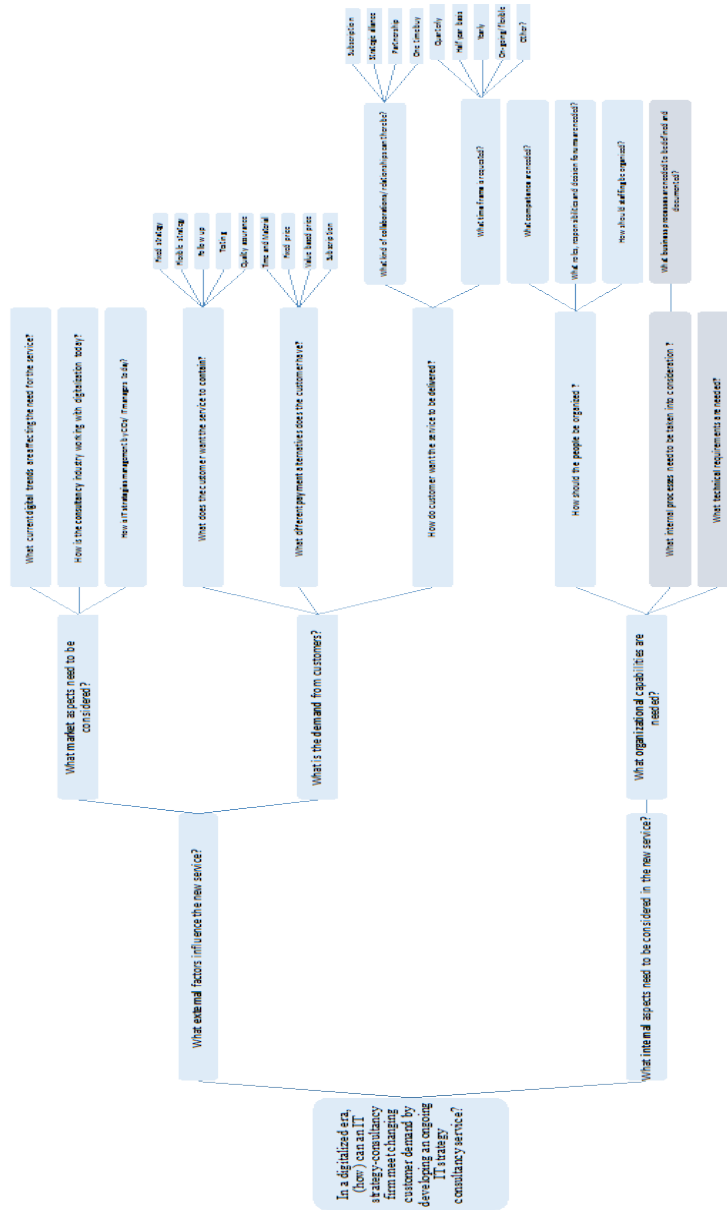
1.1 Internal interviews

Respondent	Position	Industry	Meeting place	Revenue	IT budget
Respondent 1	IT manager	Retail fashion	Telephone	2 billion	2,2%
Respondent 2	CIO	Retail home decoration	Telephone	930 million	1%
Respondent 3	CIO	Retail home building	Telephone	1,5 billion	2%
Respondent 4	CIO	Retail	Face to face	7,3 billion	-
Respondent 5	Group CEO		Telephone	1,3 billion	-
Respondent 6	CIO	Real estate	Face to face	2,2 billion	1,1%
Respondent 7	Senior IT manager	Automotive	Telephone	104 billion	
Respondent 8	IT manager	Travel	Face to face	13,4 billion	1%
Respondent 9	IT manager	Retail home decoration	Telephone	1 billion	2,5%
Respondent 10	IT manager	Retail fashion	Telephone	600 million	1%
Respondent 11	Head of Corporate IT Innovation & digitalization	Food and other	Telephone	101 billion	-
Respondent 12	CIO department x	Finance/banking pension,insurance	Telephone		
Respondent 13	IT manager	Energy	Telephone	6 billion	2,5%
Respondent 14	CIO	Finance/banking	Telephone	1,2 billion	-
Respondent 15	Head of internet	Insurance	Telephone	45 billion	2,2%
Respondent 16	Manager IT strategy	Fuel and retail	Telephone	23 billion	

1.2 Internal interviews

Respondent	Meeting place
Respondent A	Telephone
Respondent B	Face to face
Respondent C	Telephone
Respondent D	Telephone
Respondent E	Face to face

2. Problematization issue tree



3. Interview guide

3.1 Interview guide - external

Intro about the firm

- Industry
- Position
- Size of Business
- Size of IT spend/IT budget

IT strategy development

- Elaborate around your work with IT Strategy
- Have you had a second party/consultancy firm develop your IT strategy?
- What are the most common challenges to implement initiatives from the IT strategy?
- Elaborate how you align your IT with your overall business strategy?
- Do you think IT and IT strategy will be more important for the business in the future?

Changes in the market

- In what way is your business exposed to changes in the market? (Customer, competition, products, technology, innovation)
- Is this due to digitalization?
- Do you work agile?

Responding to digitalization changes in the market

- How do you keep updated about latest digitalization trends?
- How do you react and respond to this?
- How do you incorporate/update your IT strategy because of these changes?
- Have you carried out any pilot projects, to respond to market changes? (internally and/or externally)

Future need of consultancy services for managing IT strategies

Contain/Include

- Elaborate around previous experience in buying consultancy services?
- What is your future demand for IT Strategy consultancy service?

Delivery

- If you buy, how is the consultancy service delivered today? (package, monthly, implementation)
- What type of business relationship would you prefer? (alliance/ partnership/ subscription)
- If there was a subscription service to IT strategy (ongoing) how often would you like to have it delivered?
- What should it include? (One big project, follow up, implementation?)
- Can this help you stay flexible?

Price alternatives

- How do you buy consultancy services today? Frame agreements? Partnering? Time and material?
- What is your preferred payment alternative for an IT Strategy consultancy service?
- Fixed price, Time and material?
- Value based?
- Subscription?

3.2 Interview guide - Internal

Introduction

- What is your role at the consultancy firm?
- Please elaborate, how does the current IT strategy consultancy work?
- Explain the pricing strategy you use?
- Explain how you deliver the service?
- How is the staffing working today?
- How does this structure work for you?

The ongoing It strategic consultancy service

- Elaborate around the demand you have seen for a new type of service?
- What trends do you see on the market? In which industries?
- Customer demand?
- At other consultancy company?
- How would you prefer to work in the future? (best case scenario) Think about:
 - The delivery of the service
 - The pricing of the service
 - The staffing of the service
- Competence - How to keep updated about latest digitalization trends?
- Any partnership? Any new sort of customer interaction?
- Will the type of consultancy services change? Become more advanced/simpler/ stay the same?
- What other organizational changes will emerge from this change?
- How will this affect you service portfolio?
- How will this affect the type of customer you have?
- What strengths would the new service have?
- Do you see any risks with this new structure?
- Because of the structure of monthly basis: companies will instead keep the employment in house? (make or buy)
- How willing do you think the customer is to pay for this service?

3.3 Interview guide – External in depth

Content

- Advisory
- Discussion opponent
- IT budgeting
- Situation analysis
- External environmental analysis
- Cloud
- Other? (project management, portfolio support, analysis of application landscape)

Specific area you need help with?

- Strategic alignment
- Business engagement & support
- IT project
- IT maintenance
- IT operations
- IT management

Delivery model

- How often would you need help?
- Monthly/quarterly, half year etc.
- How many hours per period? What should be included?
- Is it person dependent? What sort of person?
- If you don't have any earlier relationship with this person, how would you like to start the relationship?
- Which areas will require high level of presence?
- For how long are you in a need of the service?
- Or how long will you be able to commit to the service?
- What format can the service have?
 - Advisory?
 - Workshop?
 - Participation on management team meeting
 - Project basis

Price structure

- How do you want to pay? Fixed price or time and material?
- What is your opinion for “base + variable” cost structure?
- What should be included in your base service?
- What should be included as add on?
- How do you want to pay for these?

4. Shorted answers from in depth interviews regarding the ongoing IT strategy consultancy service

	Respondent	Respondent 1	Respondent 2	Respondent 3	Respondent 4	Respondent 16
Area	Strategic alignment	Yes	Yes	Yes	Yes	Yes
	Business engagement and support	Yes	Yes	Yes	Yes	Yes
	IT project	No	Yes	Yes	No	yes
	IT maintenance & operations	No	Yes	No. Yes if specific project	No	No
	IT management	Yes	Yes	Yes	Yes	Yes
	IT strategy development	Yes	Yes	Yes	Yes	Yes
Content	Advisory & discussion opponent	Yes	Yes	Yes	Yes, like Gartner	Yes
	Situation analysis	Yes	Yes. As an Add on	Yes	Perhaps	No
	External environment monitoring & analysis	Yes	Yes	Yes	Perhaps	yes, in the package
	IT budgeting	No	Yes. As an Add on	No need today	No	Perhaps, in the package
	New applications	Yes	Yes. As an Add on	Yes	No	No
	Project management	Yes	Yes	Yes	No	No
	Level of frequency	For IT strategy: 1 time per year, each quarter for the rest	Each quarter	Quarterly	Depends on situation. Each quarter or half year	Monthly basis. Depending on cycle
Delivery	Time span	1 day workshop	1-3 days workshop for settlement of focus areas.	1 day workshop	2 days per week	3 hours
	Ongoing need	Ongoing service	1-3 years at least	Ongoing service	Ongoing service, could be 2-3 years	Throughout the year
	Dependency	Yes, very important	To some extent	Yes, very important	Yes, very important	Yes, very important
	Presence	Not important	Less important	Not important	Less important	-
	Outcome of delivery	Advisory, work shop, project basis	Advisory, work shop, part of management team, project basis	Advisory, work shop, project basis	Advisory, work shop, part of management team, project basis	Advisory, part of management team. Perhaps on project and workshop basis
	New relation	Build on relations, talk to the IT managers boss	Good relation, free in begining	Do an analysis on base points for discussion	Check referenses, marketing	Need a existing realtion to buy IT strategy as a service
Price	Structure	Base + variable (subscription)	Base + variable (subscription) Bronze/silver/gold variant	Base + variable (subscription) Bronze/silver/gold variant	Fixed only or Base + variable (subscription)	Fixed
	Commitment	12 month basis	Depend on payment structure	12 month basis	6 month basis	12-6-3 months, depend on payment structure