

15.571 Generating Business Value from Information Technology
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Generating Business Value From Information Technology

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Different Standardization Requirements of the Four Operating Models

Business Process Integration	High	<p style="text-align: center;">Coordination</p> <ul style="list-style-type: none"> ■ Customer and product data ■ Shared services ■ Infrastructure, portal, and middleware technology 	<p style="text-align: center;">Unification</p> <ul style="list-style-type: none"> ■ Operational and decision making processes ■ Customer and product data ■ Shared services ■ Infrastructure technology and application systems
	Low	<p style="text-align: center;">Diversification</p> <ul style="list-style-type: none"> ■ Shared services ■ Infrastructure technology 	<p style="text-align: center;">Replication</p> <ul style="list-style-type: none"> ■ Operational processes ■ Shared services ■ Infrastructure technology and application systems
		Low	High
		Business Process Standardization	



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Tokyo, Japan, January 18, 2006

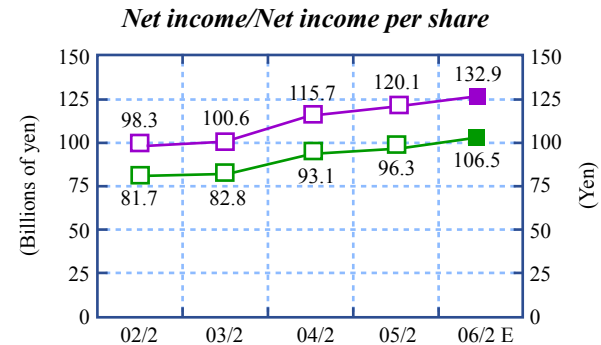
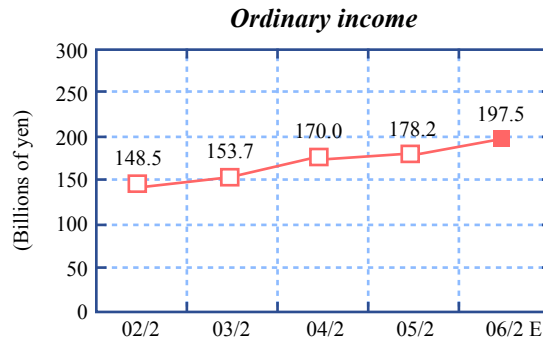
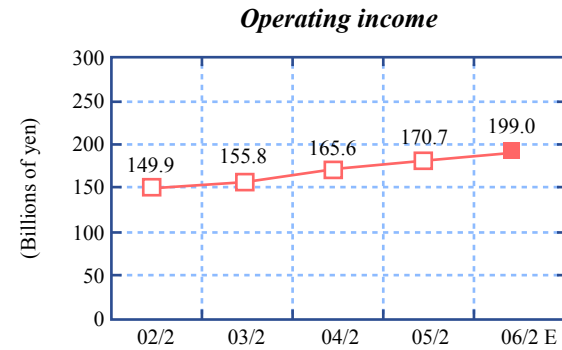
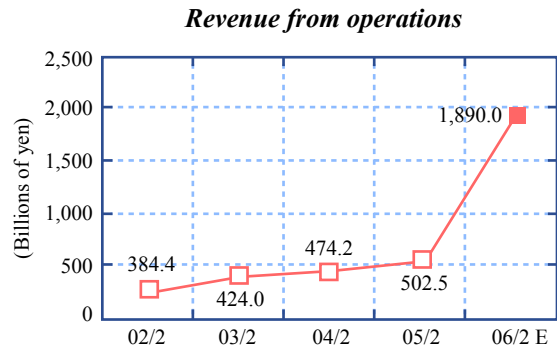
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7-Eleven Japan

Financials



■ Net income (left scale)
 ■ Net income per share (right scale)

Figure by MIT OpenCourseWare.

7-Eleven Japan

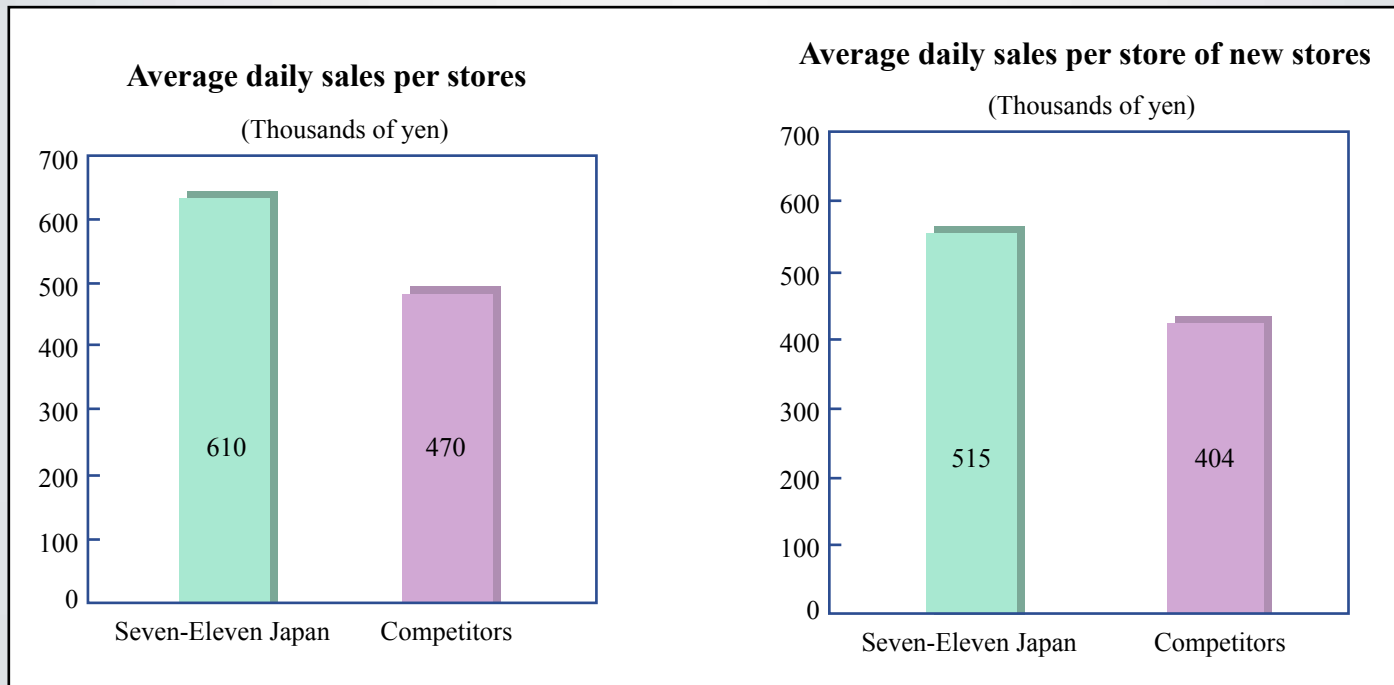
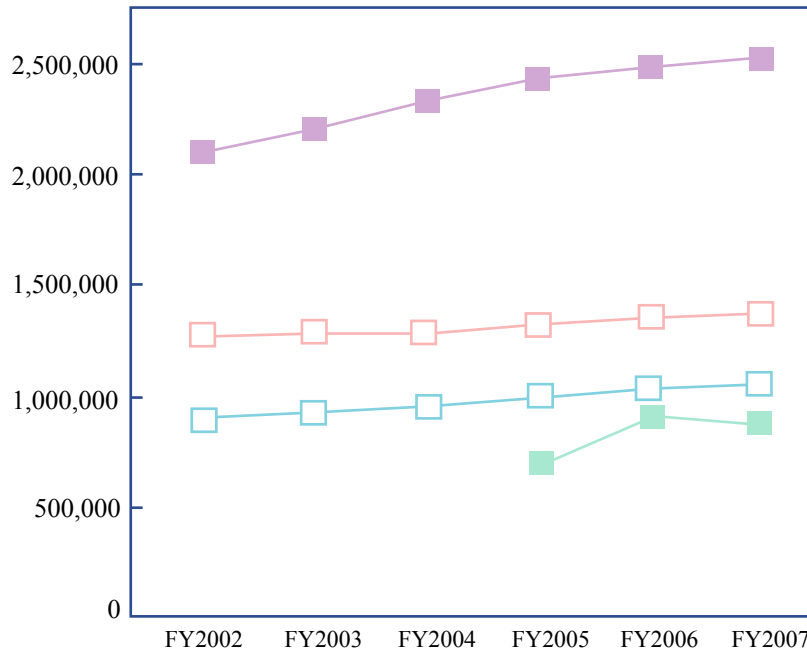


Figure by MIT OpenCourseWare.

7-Eleven Japan

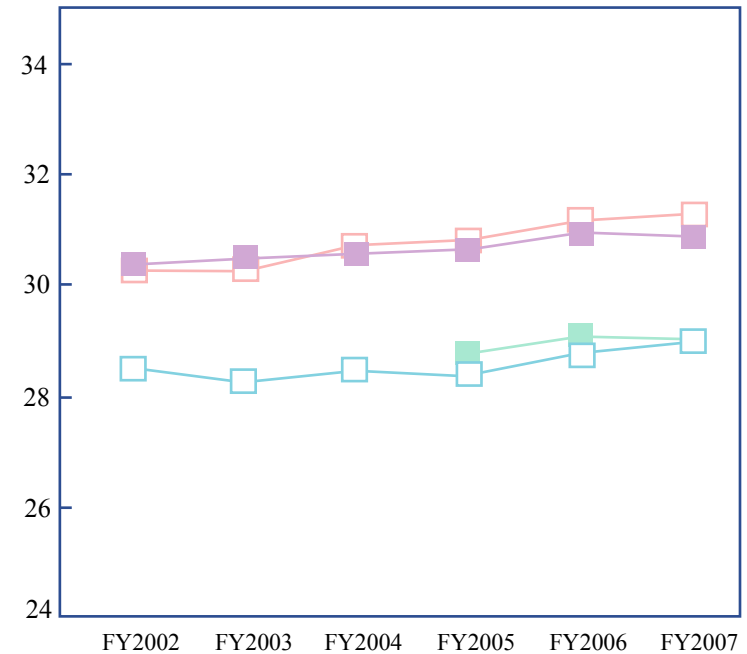
Financial Data of Major Retailers in Japan

Total store sales Millions of yen



Seven-Eleven Japan	2,114,013	2,213,298	2,343,177	2,440,853	2,498,754	2,533,534
Lawson	1,282,369	1,291,030	1,285,018	1,329,077	1,360,495	1,377,842
FamilyMart	898,651	931,808	954,445	998,491	1,031,736	1,068,821
Circle K Sunkus	-	-	-	700,094	898,741	872,844

Gross margin (%)



Seven-Eleven Japan	30.4	30.5	30.6	30.7	31.0	30.9
Lawson	30.3	30.3	30.7	30.8	31.2	31.3
FamilyMart	28.5	28.3	28.5	28.4	28.8	29.0
Circle K Sunkus	-	-	-	28.8	29.1	29.0

Figure by MIT OpenCourseWare.

Source: Seven & i Holdings, Corporate Outline 2007
http://www.7andi.com/en/ir/tool_co2007.html

The 7-Eleven Japan Platform

- **Store level (franchisee)**
 - POS technology and systems
 - Scanning and ordering technologies
 - Processes for ordering, store operations, and inventory management (training provided by Operation Field Counselors)
- **Corporate level (franchisor)**
 - Networks connecting stores to headquarters
 - Shared infrastructure with links to partners
 - Analysis system
 - Order and sales data from each store
 - Multimedia data (e.g. weather)

7-Eleven Japan

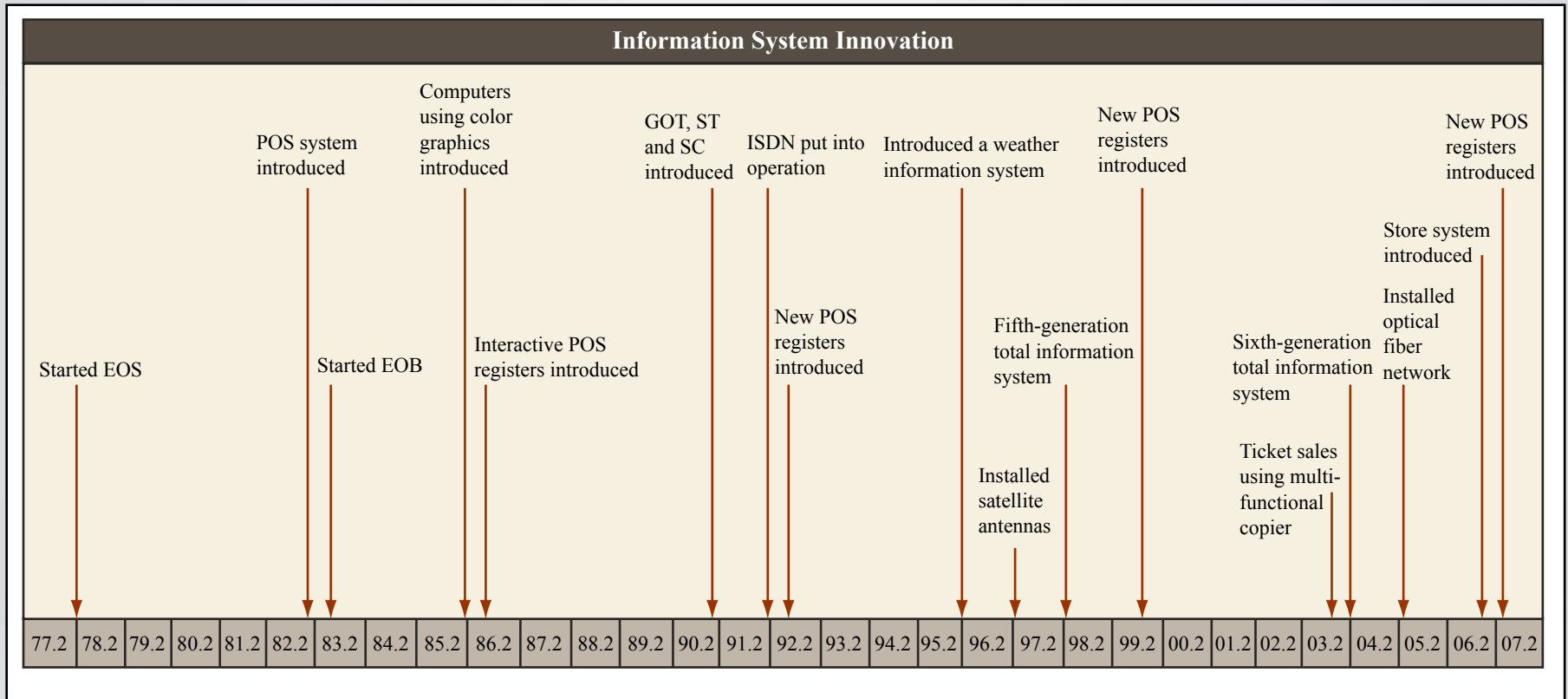


Figure by MIT OpenCourseWare.

Source: Seven & i Holdings, Corporate Outline 2007
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7-Eleven Japan

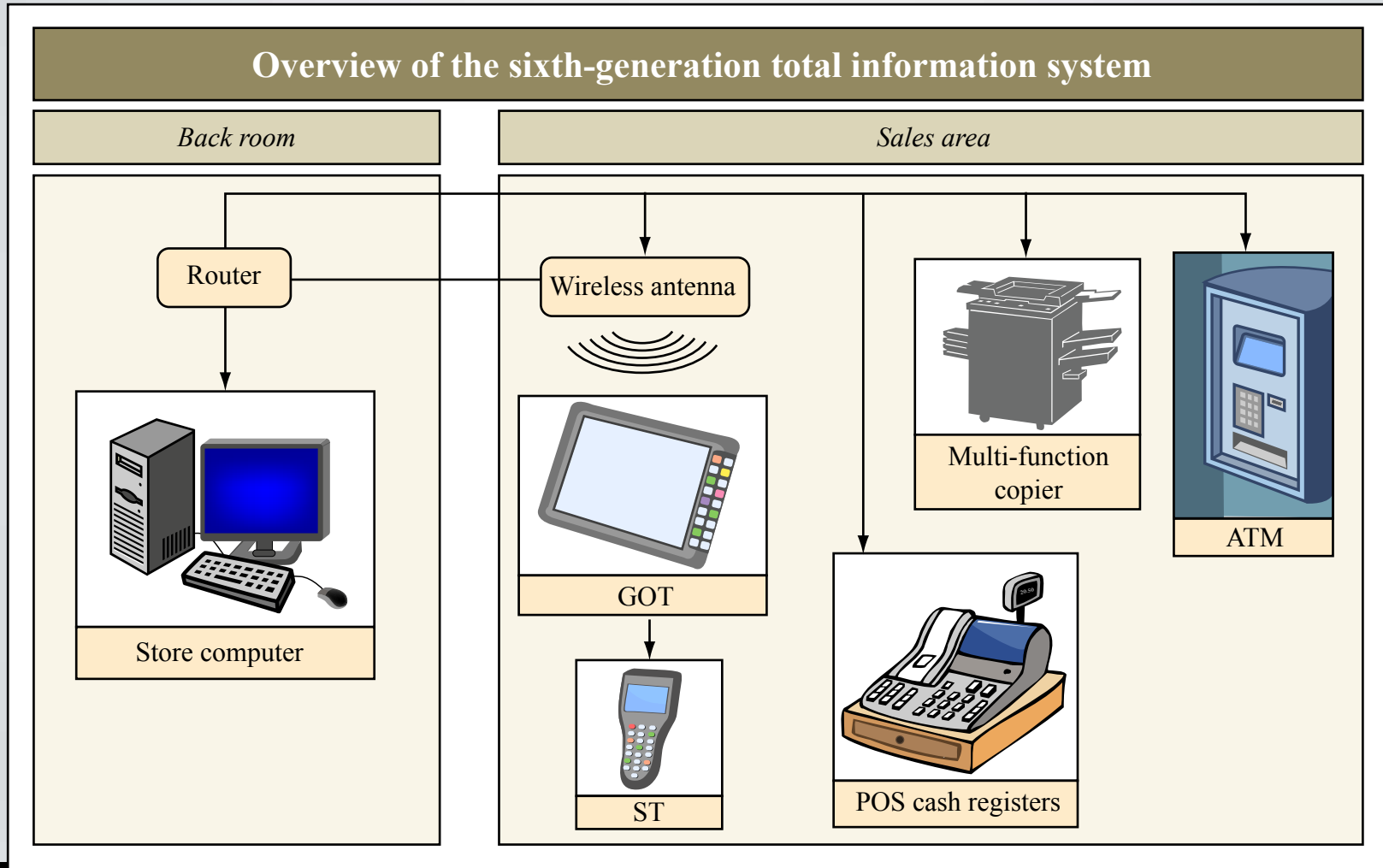


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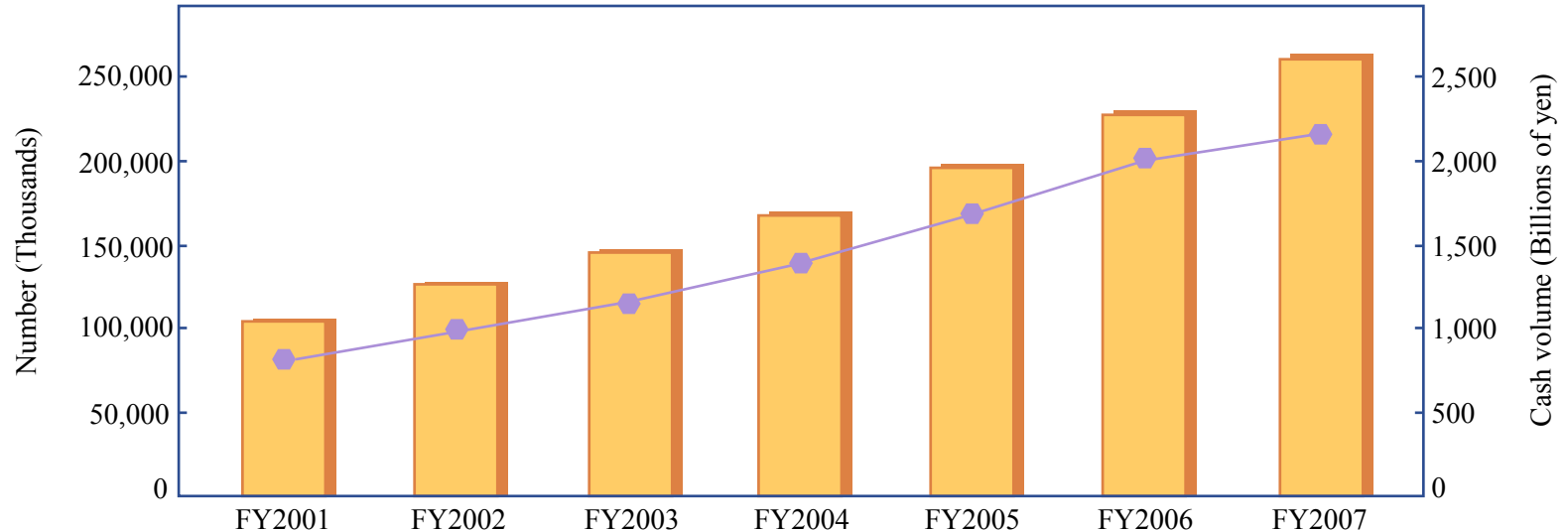
Source: Seven & i Holdings, Corporate Outline 2007
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7-Eleven Japan

Development of Payment-Acceptance Services

7-Eleven Japan has been offering payment-acceptance services since 1987. The services are used widely, gaining popularity among customers for the convenience that allows them to use various payment services 24 hours a day, 365 days a year.

Growth in volume of payment-acceptance services 7-



Number of payments	104,942	125,712	144,429	166,994	195,525	226,995	259,127
Cash volume of payments	813	990	1,154	1,390	1,682	2,010	2,384

Source: Seven & i Holdings, Corporate Outline 2007
http://www.7andi.com/en/ir/tool_co2007.html

Figure by MIT OpenCourseWare.

Debate Question

- 7-Eleven Japan recently purchased 7-Eleven U.S. and its 6,000 stores. This purchase provides a good opportunity to replicate its systems and processes in an acquisition.