

15.598, Assignment 3

In this class we examine the evolution and governance of State Street Corporation, in which IT is critical, and set the stage for a visit the following week from Marshall Carter, former CEO and Chairman.

1. Read:

Cases:

“State Street Boston Corporation: Leading With Information Technology”, Harvard Business School # 9-195-135, Rev. June 27, 1995

“State Street Boston Corporation: Leading With Information Technology (B)”, Harvard Business School # N1-799-034, October 7, 1999

“State Street Case”, Weill, P. and Woodham, R. MIT CISR WP #327, April 2002

2. Preparation questions:

- 1) Become familiar with State Street’s lines of business. Describe the evolution of its product and business strategy, using relevant terminology from Exhibits 5a & 5b in the first case and Exhibits 6 & 7 in the (B) case.
- 2) Think of why State Street has become such a successful user of IT. What do you think are the four most important reasons for this success? Provide specific examples and events to substantiate your choice of reasons.
- 3) Explain the changes in IT organization and governance. What four to six key decisions on investment in IT, alignment of IT with business strategy, etc., were made to carry out State Street’s strategy with respect to the use of IT. Who was responsible for these and how did the responsibility evolve over time with respect to centralization vs. decentralization vs. federalist structure?
- 4) What advice would you give John Fiore in his efforts to change the governance and organizational arrangements of IT in 2002?