

ABSTRACT

Information Technology (IT) — computers, telecommunications, workstations, information stores — is reshaping the basics of business. Customer service, operations, product and marketing strategies, and distribution are heavily, or sometimes even entirely, dependent on IT. The computers that support these functions can be found on the desk, on the shop floor, in the store, even in briefcases. Information technology, and its expenses, have become an everyday part of business life.

All of this is obvious to managers. What is less clear is how business executives can ensure that their firms benefit from new opportunities afforded by IT and avoid its well-known, oft-repeated pitfalls: botched development projects; escalating costs with no apparent economic benefit; organizational disruption; and technical glitches. Competence and confidence in handling IT will clearly be key to effective management. Senior executives can no longer delegate IT policy and strategic decision making to technical professionals only.

Now that IT is already one of the largest element of many firms' capital expenditures and continues to grow as a percentage of their operating budget, it is important to make sure that IT pays its way and that IT investments are targeted appropriately. IT can bring competitive advantage to a company if implement properly. Thus, detail evaluation on costs, expertise, technology, procedures, and timing of the IT project should be carried out before having it implemented. It is always wise to avoid mistakes than to remedy, for the latter cost may be too great to afford.

Very often, IT does not only bring us what we expected. In our case example presented, IT also leads to unforeseen results. And of course, these results may sometimes be positive and sometimes negative. Follow-up procedures can help to improve the performance of the IT project. Nevertheless, a critical factor of success is the cooperation of the relevant departments and personnel. Implementing an IT project is not only the matter of the EDP Department. It may also requires the cooperation of, e.g., the Sales & Marketing personnel or the accounting personnel, and of course the support from top management. Where everyone works towards the same goal can move to a smoother way of success.