

INFORMATION TECHNOLOGI : Strategic Decision making for Manager

This book is based upon the belief that information technology is one of the key drivers of business in the twenty-first century. This technology is providing new sources of revenue and opportunities to dramatically change a firm's cost structure. Information technology (IT) enables organizations to develop radically new structures such as value network, in which a focal company undertakes key core activities itself and outsources noncore tasks to partners in the network. The technology has led to new business models and new types of businesses. IT has become intertwined closely with corporate strategy.

Some argue that IT is not important, that everyone has access to the same technology so it cannot provide a competitive advantage. Although this argument sounds reasonable in the context of a resource-based view of strategy, it misses several major points. First some firms gained a significant first mover advantage with IT and maintained that advantage as competitors tried to adopt their business models. Think of organizations such as eBay or Monster.com, the successful online employment service. Second, acquiring technology is not enough to provide an advantage; the organization must manage IT to obtain a return from its technology investments.

