

The information technology hits much more in business than it seems in the surface

## Technology impact in business

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*Whereas business management make decisions without a deep knowledge on IT projects, the IT managers are incapable to communicate their necessities and dilemmas in terms of business requirements. It's necessary to tie those ends to break the short circuit.*

04/28/2004

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### Quantity and Quality

In order to try to understand how the information technology and decisions linked to it hit on business, let's analyze the email example. The email can be considered in two ways, based on two different visions.

The first vision is grounded on the following reasoning: some time ago the company communicated itself through faxes and paper memos that were took by a junior. Today there is a tool that transports memos faster and cheaper, reason why it is imperative to adopt it, so please implement an email server, and give an email address to those at the company that today receive and send paper memos.

The second vision is grounded on a completely different reasoning: The variation in amount of information, its' quality and the speed at the information can be distributed, makes that email change the hole company organization: now it is not necessary to go through all the steps upwards and downwards to communicate, like before with memos. Now Ad Hoc teems can be generated for any subject. Now it is possible to discuss any problem without meeting. The email flattens and makes flexible my organizational chart: so please implement an email server and give an email address to each of the employees of the company.

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The first vision sees a change in amount: before we made holes with the mace, now we have the pneumatic hammer: we obtain the same result in less time, with less cost. The second vision perceives the change in amount, but puts the focus in the change in quality, a change

non-quantifiable, at least easily, but with deeper and wider consequences than the idea of making the same cheap and faster.

There is a moment at which cumulative quantitative changes transmute the very essence of the problem: constructing a five-floor building is a similar but easier problem than constructing a ten-floor building. However, it is a qualitatively different problem than constructing a five hundred-floor building. To be responsible for the education of 100 students is reasonably similar than being responsible for the education of 180 students, but a problem qualitatively different from being responsible for the education of 100 thousand students.

The penetration of IT in each activity of the corporate life, complemented by the multilevel relation of each individual with the computer tools: at the personal productivity level, at the central systems access level, at the communications level, etc. makes that the implications accumulation of an important IT decision transmutes it into a strategic decision: the amount of consequences is so huge that the change becomes a qualitative change, a decision that surpasses the search of more efficiency and minor cost. It doesn't matter if you are or not conscious of the email impact in a company, nowadays the support departments receive many more support calls if the email goes down 10 minutes than if the invoicing system crashes for half an hour.

## What is happening today

I have an overall impression that is difficult to find business managers that understand in depth which the impact of the Information Technology represents for their companies. At least it is what it says my personal experience. It isn't that there are not managers at all who do not

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understand IT, you can find some of them who arrived to business management from the IT department, and you can find others that don't understand the deep mysteries of programming and networking, but perceive its magic comprehensively. The point is that it is most frequent to find a treatment on the decisions of IT issues that denotes lack of understanding of the opportunities and problems that the decision represents beyond the habitual parameters of any purchase and which are those that can be seen at the surface: the supplier, the price, the discounts and the formal terms and conditions.

All strategic decision is a long term decision. IT Decisions are strategic and sample of this is the incredible inertia that they have, that makes that decisions taken without great analysis twenty years ago continue complicating the present, with great chance of becoming the stone in the shoe of the next IT project. There are situations where it is anguishing to see managers unconscious that the IT decisions that they are taking now will have a tremendous impact in the future.

## A round-trip way

It's not legitimate to say that this is an exclusive responsibility of the business management, IT managers have an equal and complementary responsibility: in most of the cases they are not able

to transmit to his business teammates the importance of the decision that are taking, the alternatives that they have and the positive and negative consequences of each one of them, not in the terms of impact to the IT infrastructure, but of positive or negative impact in the organization, the strategy and the company positioning.

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The responsibility of an IT manager goes beyond the technical decisions. Perhaps technical decisions aren't his main responsibility, if you compare this responsibility with that one of bridging the technical decisions and their impact in the

business. To make decisions is to select between options, choosing what options to take and which to discard. In that frame, the IT manager task is to provide the necessary and suitable information to the rest of the company so that IT decisions are taken, with the sight put beyond the volume discount for next upgrade.

If it is decided to upgrade the central processing hardware to support new branches, instead of a distributed architecture, it is not a philosophical option in support of the central equipment apostles in detriment of networks ayatollahs. It is being taken a decision that requires minor initial investment and smaller cost of administration, in exchange for an enormous and single point of failure. It can't be said a priori which one is a better decision, in each company and each case one will be better today, and tomorrow will be better another one. What the example tries to emphasize is that in many companies the discussion of these subjects is made after the decision was taken, when they notice that a problem in the central data base left all the branches Knock Out. Is then, under pressure, that alternatives arise, solutions are studied, and previsions are foreseen, but now they have a higher cost and the heavy load of trying to save at least something of the cost sunk in the previous decision, which imposes the obligation to surrender once again to the inertia of the installed base.

## Common sense as business strategy

An old saying says that "the common sense is less common of all senses". Nothing fits better to our case. To deal with important, strategic and very difficult to revert decisions without the pertinent information, without knowing the full set of options, violates common sense. Neither business managers nor IT managers seem to have the key to unlock this problem.

The opportunity is exactly there.

Indeed there is a big opportunity there. If you are able to be the bridge between both, contributing nothing else than adding common sense to the obvious, without a doubt you will capture this opportunity to transform it into a flourishing business.