Why it Doesn't Matter if IT Matters

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The ongoing debate surrounding the value of IT reminds me of a story about a battleship captain sailing late at night in a vast sea. Noticing a small blinking light off the starboard side, the captain concluded it was another ship headed on a collision course toward his vessel. He ordered his signalman to signal the ship to turn twenty degrees. The responding signal suggested the captain himself move his vessel. The captain, furious signaled back: "I'm a battleship. Change course twenty degrees!" Back came the signal from the flashing light, "I'm a lighthouse." The captain changed course.

Technology is the beacon of change standing sentinel on the landscape of competitive advantage. Business is the vessel often erring to acknowledge the true role technology plays in the marketplace; repeatedly to their own calamity. While thought leaders are engaged in arguing the value of IT (do we or don't we invest in IT; innovation is the key to advantage), IT is evolving into the driving force behind everything necessary in business. It isn't whether investing in IT is prudent or not, it is about harnessing the evolution of a paradigm that will forever dictate the massive structure of the market.

Take for example the typewriter. This piece of technology found acceptance only when its promoters realized its potential in the business of exchange and correspondence. Social values and business processes had to change to admit the use of a mechanical device in place of a pen. What now seems to be an antiquated, ubiquitous invention was actually the forerunner to the word processor. Those businesses that nimbly shifted gears and embraced the typewriter, unwittingly created competitive advantage for themselves and fueled technology evolution.

Today harnessing the momentum of the technology evolution rests with strategic and creative thinking. Take Dexit for example. This Toronto based company has merged RFID technology with consumer behavior to develop an alternative for cash. Developed in collaboration with partners in the telecom and financial industries, the Dexit tag fits on the end of a keychain and can be used for small purchases. When the tag is placed on a Dexit reader, signals from the terminal capture information from a microchip inside the tag and securely authenticate the transaction with the owner's account. This technology showcases innovation, but more poignantly underscores how technology is actually driving business. In the case of Dexit, different technologies already in use in the financial and telecom space were harnessed in a more three dimensional aspect to create competitive advantage. This is a case of harnessing the evolution of practices and concepts already in place.

Some would argue that this is innovation. Others might say it was a risky IT investment. I would suggest that both arguments miss the point. Technology embraces a momentum all its own and the greatest challenge in business is to keep the momentum unimpeded and recognize the opportunities inherent in its evolution. Is it important to leverage existing IT assets? Of course. Is it important to innovate? Absolutely. But neither of these drive competitive advantage. We just like to think it does. Agility and a flexibility to change as technology evolves is what creates competitive advantage. Innovations, investing or not investing, creating internal processes and leveraging existing assets are by-products of corporate agility and flexibility. Business can be the big ship refusing to change course until technology forces a new direction. Competitive advantage rests in anticipating new currents and quickly engaging internally to capture the next big wave.

Ruby Gates
Editor
ruby.gates@bettermanagement.com

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