IT in 2010's

Does IT Matter?

Is IT a Source of Competitive Advantage?
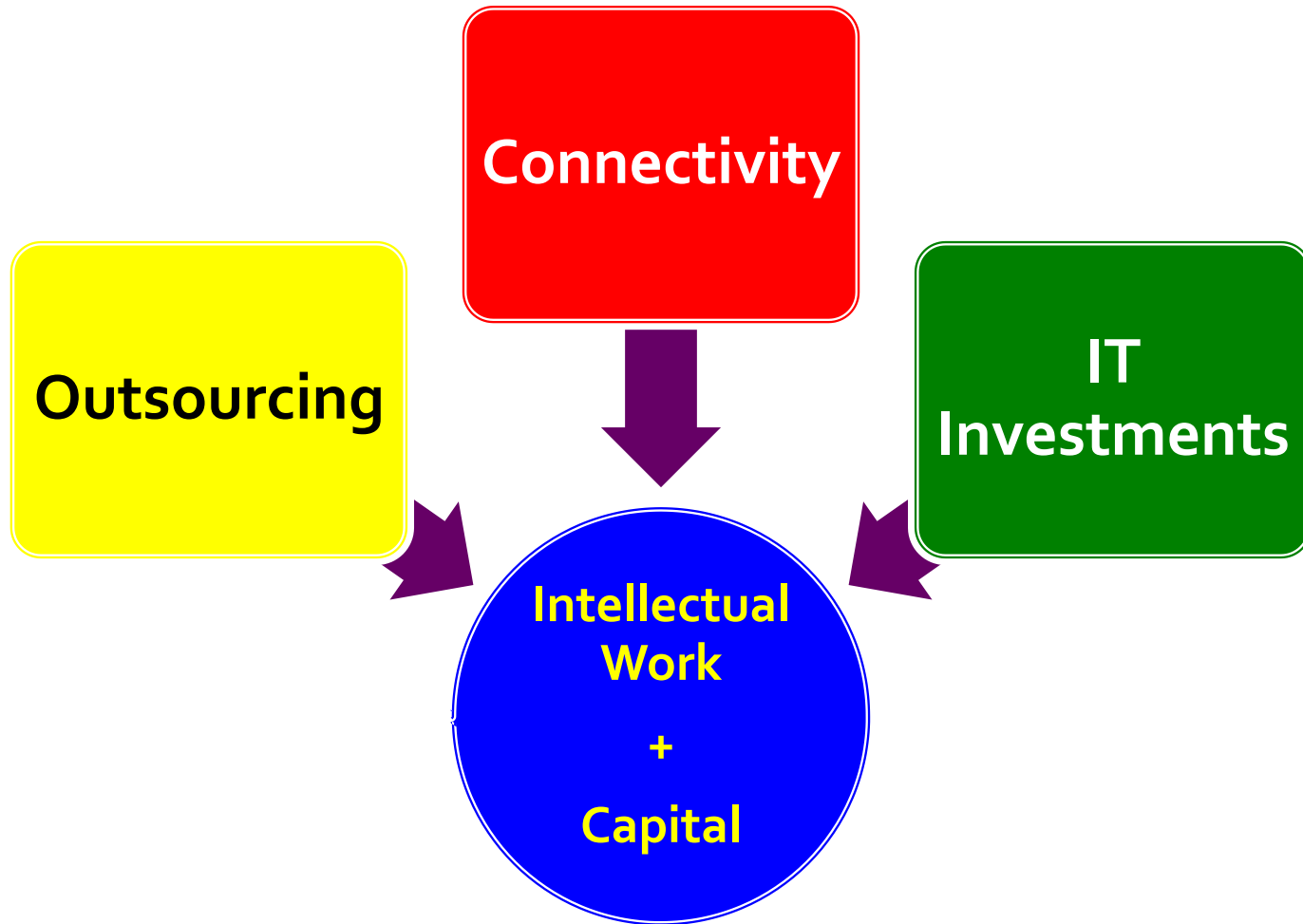Or
Is IT a Utility Function?

IT Contribution to Effective Business Strategy (Carr, 2004)

- IT innovations in specialized areas where competitors will have difficulty copying
- Excellence in design of processes and activities and how they use technology
- Use of information and talent in achieving advantage
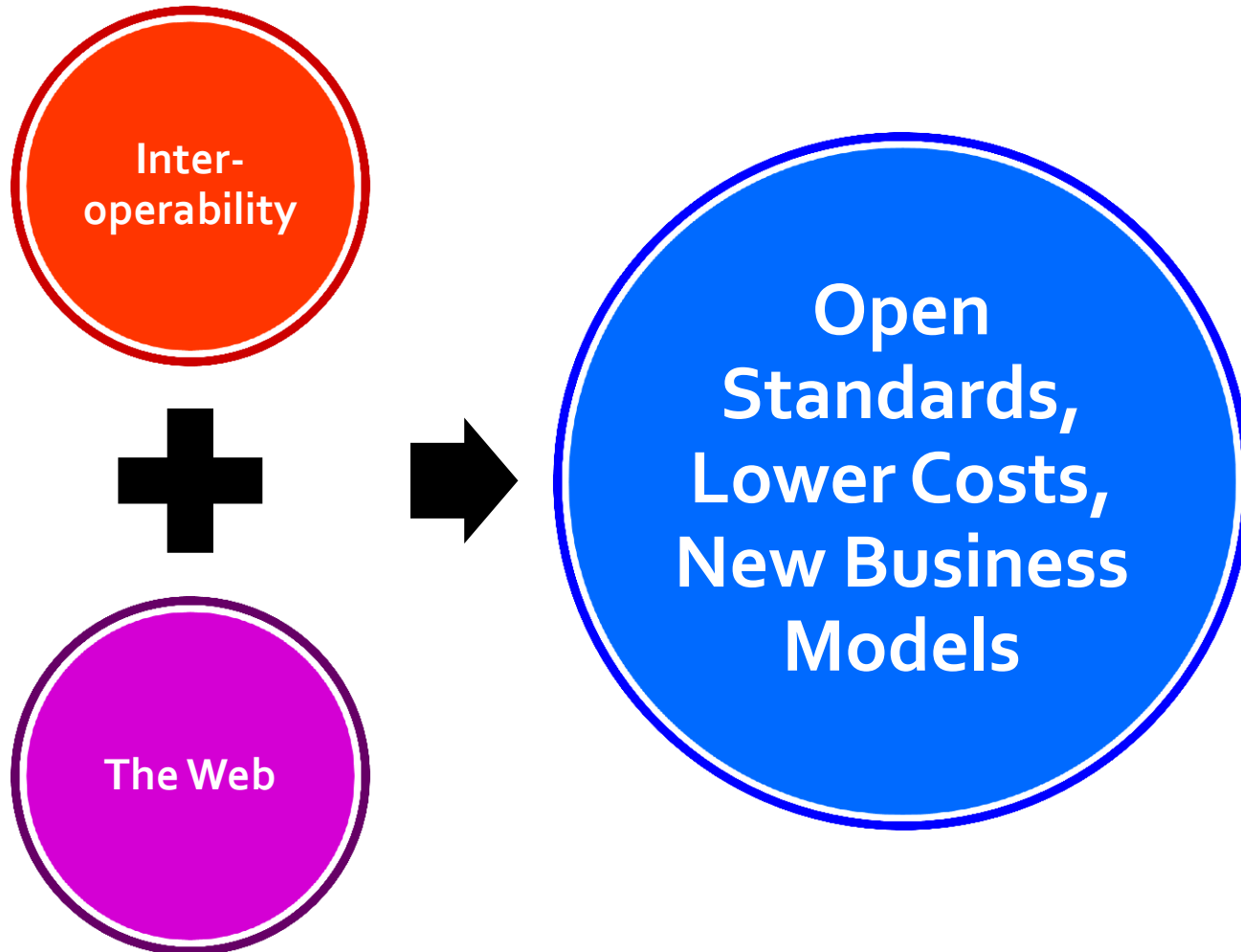- Use of technology in consumer products and in emerging markets

IT Contribution to Effective Business Strategy Continued (Carr, 2004)

- Superior ability to execute strategy

- The ability to rapidly realize benefits from advances in infrastructure

- Use of IT to *buttress* strategy

- Design and implementation of architecture

The World is Flat (Friedman, 2006)

Connectivity

Outsourcing

IT Investments

Intellectual Work + Capital

The World is Flat (Friedman, 2006)

Inter-operability

The Web

+

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Open Standards, Lower Costs, New Business Models

IT's Growing List of Responsibilities, 1990-2005

Table 1

RESPONSIBILITIES 1990	RESPONSIBILITIES 1995	RESPONSIBILITIES 2000	RESPONSIBILITIES 2005
Systems development	Systems development	Systems development	Systems development & assembly
Operations management	Operations management	Operations management	Operations reliability
Vendor relationships	Vendor relationships	External relationship management	External relationship management
IT administration & budgets	IT administration & budgets	IT administration & budgets	IT finance & accountability
	Data management	Knowledge management	Information & content management
	End user computing	Infrastructure management	Business platform management
	Education & training	Change management	Business transformation
	Managing emerging technologies	Environmental scanning	Innovation
	Corporate architecture	Corporate architecture	Enterprise architecture
	Strategic systems	Strategic leadership	Enterprise leadership
	Systems planning	Systems planning	Portfolio management
		Network management	24/7 communications management
		E-commerce	Pervasive business computing
		Business integration (CRM, ERP, etc.)	Business process architecture, including external integration
		Resource management	Strategic sourcing/staffing
		Risk management	Risk management
			Business continuity management
			Security architecture & management
			Compliance (privacy, SOX)

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IT in 2010

The IT function will continue to evolve into an enterprise entity responsible for ensuring the organization's investments in technology and processes are effectively leveraged and that the business has the right processes and technologies in place to identify and respond to new business opportunities.

IT Continues to Evolve

Table 2

	1996	2000	2005	2010
IT Mission	Technology management	Corporate change	Business transformation	Intelligent business
IT Function	System automation	Corporate reengineering	Strategy mobilization	Strategy collaboration
IT Management	Reactive	Proactive	Anticipatory	Architectural
IT Self-image	Service provider	Facilitator	Catalyst	Leader
Governance	Balkan states	Federated republic	Federated network	Horizontal integration
Internal Controls	Metrics	Impact	Value	Enterprise value
Staffing	Specialists	Skilled generalists	Business technologists	Business technology conductors
Systems Development	Structured	Evolutionary	Assembled	Orchestrated
Hardware/Software Management	Planned	Confused	Minefield	Standardized
In the Workplace	Office automation	Automated office	Boundaryless office	Flexible office

IT Mission

- In the future there will be new emphasis on information rather than technology to drive business transformation.

- IT will be tasked with providing information architectures and tools necessary to achieve process transformation.

IT Function

- IT will be valued for its ability to facilitate strategy development and mobilize strategy. (McKeen and Smith, 2003)
- The lines between Business and IT strategy will continue to blur.
- "Today we are mobilizing IT to support business strategy; tomorrow we will be mobilizing the business through leveraging IT".

IT Management

- Increased focus on IT architecture to facilitate flexibility.

- Architectures will become the foundation to assist the business to design and implement strategies.

- Architectures will continue to increase in size and complexity.

IT Self-Image

- IT innovation for business value now ranks as a top IT challenge.

- The need for IT Leadership within the business will continue to grow.

Goverance

- Integration across the business and with its partners, suppliers, and customers will continue to be the dominant driver of IT governance structures.
- Open standards will enable greater horizontal integration.
- External regulation will continue to prescribe and proscribe governance requirements.

Internal Controls

- Value will continue to be an important measure of IT success.

- IT's ability to see across the enterprise will become a source of value.

- IT functions will be involved in larger business transformation and innovation initiatives.

Staffing

- The need for skilled business technologists will continue to increase.

- Business technologists understand how to use collaborative technologies, mobilize strategy, simplify business, and provide leadership around technology.

Staffing Continued

- IT staff will act as leaders in portfolio management, strategic sourcing and alliances, business process transformation, controls, risk management, information management, and privacy.

Systems Development

- Traditional systems development will become an increasingly smaller IT role.
- Trend is towards the orchestration of all of the IT, business and business partner elements needed to complete an initiative.

Hardware/Software Management

- The trend towards open software standards increases opportunities for *plug-and-play* implementation.

- Standards are set by industry groups, not individual companies.

- New peripheral devices and applications create increasing challenges.

In the Workplace

- Trend will continue towards virtual offices.

- Virtual work is driven by economies of scale.

- The need for open and flexible platforms will continue to evolve.

Conclusion

- The IT function has been evolving in organizations.

- IT has become commoditized in some areas and adds true enterprise value in other areas.

- The next frontier for IT will be to provide leadership to the organization.