



Welcome Members  
and Guests

# I.T. Doesn't Matter, or Does It?

*How to Improve the Value and  
Perception of I.T.*

SCSIM

Fall Meeting - December 3, 2003

# Agenda

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- ✓ 2:30 - 3:00 Registration
- ✓ 3:00 - 3:15 Opening Remarks
- ✓ 3:15 - 3:40 SCSIM Survey Feedback
- ✓ 3:40 - 4:25 Presentation - Ed Trainor
- ✓ 4:25 - 4:40 Break
- ✓ 4:40 - 5:40 Panel Discussion
- ✓ 5:40 - 5:45 Wrap-up
- ✓ 5:45 - 6:30 Hosted Networking Time
- ✓ 6:30 - 8:15 Dinner (SCSIM Chapter Announcements during dinner)

# I.T. Doesn't Matter

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- ✓ Harvard Business Review Article (5/03)
- ✓ Nicholas G. Carr (author)
- ✓ Sparked wide controversy
- ✓ Premises led some to the conclusion that ...  
if I.T. is not strategic, the CIO is no longer  
strategic
- ✓ Our Focus: The challenge is issued, ensuing  
debate continues ... what should be the  
appropriate CIO response?

# Nicholas G. Carr

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- ✓ Credentials (courtesy of Larry DeJarnett ... thanks Larry)
  - Editor-at-large HBR
  - Written extensively for the HBR, Financial Times, Business 2.0, Industry Standard
  - I.e., not a fly-weight writer

Per Mike Peshkam, he no longer works for HBR

# Carr's Premise in Brief

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✓ In order to gain competitive advantage -- 50% of a firm's capital expenditures are going to I.T. ?

- Business worldwide pump \$2 Trillion into I.T. annually
- Like many technologies, I.T. has become a commodity
- Affordable and accessible to all, it has lost its strategic value

# Carr's Premise in Brief (cont.)

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- ✓ Scarcity, not ubiquity, makes a resource strategic
  - Companies gain advantage by having or doing something that no one else can have or do
  - In the early days, competitive advantage was available because of uniqueness of the I.T. resource/service being provided (i.e., Fedex's package tracking system)

## Carr's Premise in Brief (cont.)

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- ✓ Because of its ubiquity, must focus on I.T. risks rather than strategic value
  - Take electricity, no one builds a strategy on its usage; but when unavailable it is a business risk
  - I.T. unavailability can be devastating to business processes and customer service

# Carr's Premise in Brief (cont.)

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## ✓ I.T. greatest risk is overspending

- Can put the enterprise at a cost disadvantage

## ✓ Lesson: Make I.T. management boring

- Instead of seeking strategic edge through I.T., seek to manage I.T. costs and risks with a frugal hand and a pragmatic eye (despite the hype that may re-emerge about its strategic value)
- *“Worrying about what might go wrong isn’t glamorous, but it is smart business now.”*

# Carr's Idea at Work

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- ✓ To avoid overspending on I.T.
  - Spend less
  - Follow, don't lead
  - Focus on risks, not opportunities

# Was Carr's Article

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- ✓ A contrarian point to view to open the door for a new perspective on I.T.?
- ✓ A legitimate theory of the fall of I.T. from grace?
- ✓ A jaded perspective of the world (i.e., based on his theory can anything really be strategic)?
- ✓ Can he be right?

# Housekeeping

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- ✓ Cell phones off
- ✓ Chapter meetings are solicitation free
- ✓ Break, please return on time
- ✓ Networking time is hosted (cash bar also)
- ✓ Restroom location
- ✓ Vegetarian meals, tell your server
- ✓ One speaker (or host) per dinner table

# Congratulations

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- ✓ Three members of SCSIM Chapter were winners of 2nd prize -- SIM Paper Competition
  - Bob Houghton, CIO (Western Digital)
  - Omar El Sawy, Professor (USC)
  - Paul Gray, Professor (Claremont)
- ✓ Paper: “Vigilant Information Systems for Managing Enterprises in Dynamic Supply Chains: Real-Time Dashboards at Western Digital”

# Thank You

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- ✓ Kirk Bromberg for assistance on panel
- ✓ All our speakers for prep-time
- ✓ Membership for great turnout
- ✓ Barbara and Florence for registration support
- ✓ In lieu of conventional speaker gifts, all have designated a gift to a non-for-profit organization