

## IT Doesn't Matter

A review of Nicholas Carr's Perspective on Information Technology

“IT doesn’t matter”

In the present world no one can dispute the importance and usefulness of information technology (IT) in individual and operational life. Nicholas Carr in his article entitled “IT doesn’t matter” (HBR, 2003) roots his column on the basis that IT has become popular and affordable thus it is no longer a means for competitive advantage for businesses. Whilst Carr acknowledges that IT is an invaluable asset, he states that the strategic importance of information technology has diminished and advises businesses to rethink investing in IT as a major player for differentiation. Carr formulates that due to its ready availability any advantages provided by IT would also be provided to the entire industry and as such considers IT an infrastructural technology; since it provides competitive advantage for a short period only at the very beginning of its use. Nicholas Carr further raises awareness on the risks associated with IT as companies become hostage to technology, such that any brief disruption in availability or functionality can lead to huge losses or shut downs. Whilst Carr was correct about the limited range of IT resources in the past, he most definitely did not anticipate the emergence of today’s higher order systems and platforms. The introduction of social media apps, mobility, smart products, etc, has long proven that IT does matter.

Information Technology consists of all the hardware and software technology companies need to achieve business objectives (Laudon & Laudon, 2012), the functions include storing, retrieving, manipulating and transmitting data or information within a given context. Carr’s definition of IT was limited to its basic functions of processing, storage and data transport, as such, within his limited scope he would have had limited inferences and resources. Thus given a wider definition taking into consideration the additional features of IT infrastructure, Carr would have been able to see the endless possibilities of IT.

A strategy is a plan of action or the art of planning and directing resources in order to achieve a long term or overall aim. Strategic advantage refers to those marketplace benefits that exert a decisive influence on an organization’s likelihood of future success. Carr urged companies to spend less on IT investments as continued commoditization became more costly, however if companies spend wisely on investments, even at a greater cost, strategic advantage can be achieved. The best strategy for technological gain is to align the information technology infrastructure with its users in order to gain competitive advantage. This alignment will not only improve agility and efficiencies but also increase profits as goals will be met with less effort (Hill, 2018). Companies like Amazon and Apple are principal examples of technology integrated with operational structure.

Standardization of components, and open systems provide a stable platform to build on and offer new ways of differentiating, either by cost, structure, product or service (McFarlan & Nolan, 2003). Somewhat like the way literacy stimulates innovation. Most individuals start at a basic level of education (kindergarten). Based on their capabilities and other factors, both internally and externally, plough through the education system with differently acquired capabilities to become a wide variety of career holders, each with a purpose. Likewise having twenty doctors in the same field will not make doctors unimportant

so too is having similar IT strategies in an ever growing market. People go to the doctor they believe is best qualified for the job, the leading doctor in the industry. Similarly people tend to gravitate toward the leading ambassador of information technology in today's society. Carr's deduction of the depreciation of technology while spot on does not guarantee that the cheaper option is better. Google and Apple are prime examples of brand leaders in the information technology market. Google cloud provider (GCP) provides infrastructure engineered to handle the most data-intensive work, Apple designs and develops various consumer electronics (hardware) and software at unrivalled quality (Bhasin, 2018), these organizations are technology intensive and proof that quality is high cost.

According to Gibson risk is the likelihood that loss will occur. Losses occur when threats expose vulnerabilities. Growth cannot be experienced without risk. By identifying the risks associated with IT one can set about disaster prevention and risk management. Organizations can identify the IT assets and their values, these include but are not limited to hardware, software and data. Identify possible vulnerabilities and threats and the likelihood of a compromise. Assess the impact of the risks and put specific controls in place to lessen the impact in case of occurrence. Test and evaluate controls regularly to keep up-to-date (Proctor, 2011). Although this may not be profitable for the organization, it will protect it in case of IT failure. An example of a risk management system is the data backup system which can be used to backup customer information. Risk management however, does not take away from opportunities in an organization. Efficient risk management allows for the exploration of positive consequences or opportunities in any undertaking that can potentially bring about improvement.

Information Technology is the backbone of commerce, Carr's interpretation, whilst valid, no longer defines the boundaries of information technology. With continuous advancement in this segment of the business market and the use of information technology for almost every transaction in business operation. It must be concluded that IT does matter!

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