

# **Business Computing: the Second 50 Years**

**The Guildhall conference for business  
leaders**

**The Guildhall, London**

**5 and 6 November 2001**



**Business  
Computing**

## **Conference e-workshop report**

### **Company infrastructure for the e-world**

Chairman: Jon Bernstein, Editor in Chief, silicon.com

Rapporteur: Professor Richard Baskerville, Georgia State University

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## eWorkshop: Company infrastructure for the e-world

Chairman: Jon Bernstein, Editor in Chief, silicon.com

Rapporteur: Professor Richard Baskerville, Georgia State University

Participants:

DH: David Hoyle  
FO: Ferenze Olti  
AS: Alan Shepherd  
LD: Liz Dobson  
JB: John Berstein  
KM: Kenneth Moore  
PD: Paul Dixon  
RB: Richard Baskerville

JB: e-world

- Continuity or flux?
- Master of servant?
- 'Killer Apps'
- Plumbing vs politics.

LD: Tech can enable an infrastructure, but only if we can overcome the politics

- Plumbing vs politics

PD: Bringing the purchasing dept into the 21st century. Resistance has been critical in automating the supply chain.

KM: Politics is part of life.

AS: Politics can be tool of individual objections

JB: Simple vs institutional politics

PD: Impact of political sea if this is where the CEO draws power

LD: Politics is the buffer. Technology sponsored by departments, don't link, alternatively global plan which doesn't fit the silos. Are we (IT) doomed always?

DH: Maybe to get the IT up and running, you have to stage it, too much to overcome all of the internal strains all at once. Start small & expand ... primary example is stock exchange failure

JB: Baggage - department led vs. IT led

PD: Link between technology plan and organization plan

AS: IT must be organized to meet the goals of the organization (CEO)

KM: It is up to the IT dept to educate the CEO if necessary.

FO: IT department in the e-world must be more active

AS: Split strategy and delivery, strategy can educate the CEO, but end of the day, the IT dept must deliver what the CEO decides

DH: IT should be enthusiast, facilitators, helping people discover how to use computers to solve their problems.

AS: In real world, sometimes, but in other companies, doesn't happen that way

PD: Teams working together at executive level, not monolithic, a set of relationships. IT head must function as a senior member of this team.

LD: Conversation forked: politics on the one hand, IT infrastructure on the other. If we can't overcome inter-dept politics, how can we adopt revolutionary technologies?

DH: In 80's big companies forced compliance with technology, e.g., Tesco & its suppliers

KM: Ought to be "network economy" rather than e-world

AS: Funding problem, requirement for business cases are tougher, makes every case become a big cases

PD: Hard to switch off the configuration of the org.

DH: The organization has to adapt, defining the firewall that separates department

KM: Cooperation to the end goal, not really about IT, its a shared vision and the dialog to keep it in focus.

LD: More flexible the company the more likely to adapt the IT

DH: Have to have it in bits, strive for complete freedom is an illusion, reduce the problem to manageable size. Define the limits of internal change (internal firewalls).

AS: Changing the organizational boundaries, using IT to be somewhat common across the organization, makes it easy to change the boundaries.

FO: One ideal is a boundary-less organization

KM: Balanced scorecard, more that just finance (key measure of the now)

PD: Vision of Michael Dell on how to manage the supply chain, zilch to do with finance, excellence of vision & execution

FO: In my experience, accounting is the thing.

KM: 21st c. Need new ways of measuring things, more than just financial management

KM: If we define infrastructure, not as the "widget" but everything that goes into the widget (HR, finance, etc). How does the IT fit into such an infrastructure. Forces in areas that radically change the infrastructure, in IT, these forces can be technologies like XML. Other forces in other departments, outsourcing HR, finance as well as IT

LD: Its happening, problems with IT outsourcing (no-one in org remembers how IT works). Massive transaction costs. Model can work, but the super-management has to be very good.

DH: Outsourcing of pieces of the organization can happen. But there are key parts that can never be outsourced.

KM: What is the force that will take us to this new world. Most of infrastructure lies outside the core competency.

AS: Not sure the core competency concept is really operable.

LD: Eg Volvo looked to outsource, asked "what gives Volvo its volvo-ness?"

AD: Difference between outsourcing and networking: Outsourcing adds profit to the cost. Growth of consultancies is incomprehensible.

AS: Core competency must, in the end, be information systems. If everything is outsourced, in the end the only thing left is the information that holds it together.

LD: Must retain that competence to make all the bits work together.

KM: risky strategy to outsource the element that defines the company e.g. safety in Volvo, outsourcing that which give one competitive advantage destroys the company.

AS: Managing the outsource well enough so that you can bring it back inhouse if you want to.

AD: current example, Jaguar is a Ford Mondeo

KM: outsourcing in net economy, different than in the80's...the information will be quickly there to allow the company to take action.

FO: real issue is not outsource or not to outsource, its which systems and how to use...major issue is standards, filled with the agreements of the players. But players cannot agree, except bi-laterally or industry-wide. If agreements are reached, there are the benefits.

AS in networked economy you can connect to anyone, but there must be something to trust in there.

KM: must be cooperation for net economy to work, trust is not necessary

AS: business is so complex, who's going to pay for these mechanisms

JB: A final round for summary of what is useful here

PH: Talking about what's coming about

LD: We forget we're humans when we talk about technology - this is the chief limit to what we can do.

FO: We didn't speak about full integration of island systems in the future. What society can offer it directions

AS: Tend to blame people for IT failure, these are genuine issues

KM: Middle of a revolution, IT is about to be blown up and redefined

PD: Agree must first learn to use technology effectively within the organization before we can effectively organize

RB: The single core competence may be technology. If we can outsource everything, or almost everything, then the control of information is necessarily a core competence.

Major ideas evolving in the conversation

- ? Internal Politics
- ? Strategy driving IT, or vice versa
- ? IT infrastructure
- ? Network economy vs. e-world
- ? Being able to change internal organizational boundaries, IT can enable with common practice being forced throughout the organization
- ? What to measure? More than just finance (balanced scorecard)
- ? Outsource

Be sure to read: Collins “good to great”