
Introduction

This is a short book on a vast theme. Its sole purpose: helping non-IT managers become engaged contributors in formulating their firms' corporate IT strategy. I believe that their contributions can infuse the competitive oomph into their *strategy* that their IT colleagues alone cannot.

I base this book on one premise: cheap yet strategic IT is a unicorn only until IT strategy meets non-IT managers. Corporate IT is a *business* tool; how your firm *uses* it alone differentiates whether it is a competitive weapon or the costly obstacle that it usually is. IT can make or break businesses. Firms spend more on IT than all other capital assets *combined*, yet few grasp how it is reshaping their industries and what they can do about it. Within this asymmetry lies the opportunity. Without non-IT managers' business acumen in corporate IT decisions, IT lacks purpose. The true quality of corporate IT is how well it advances your firm's strategy, not how well it is constructed.

Lack of business involvement is *the* primary reason that IT is often uneconomical and strategically feeble. It's rare that non-IT managers don't want to be involved; they often don't know *how*. I'll equip you to be sufficiently conversant to create business value with your IT colleagues and help you grasp when, where, and how you can contribute. My goal is to help you ask the right questions. I hope to provide you an enduring foundation and analytical skills to envision IT opportunities invisible to an untrained eye. An engaging conversation needs effort from both sides of the business-IT divide; I'll give you the language to make that effort.

Who This Book Is For

This book is for midlevel *functional* managers—in line functions such as marketing, sales, finance, operations, or accounting—with no IT backgrounds or IT career aspirations. I assume that you have spent three to four years' time in the trenches, none

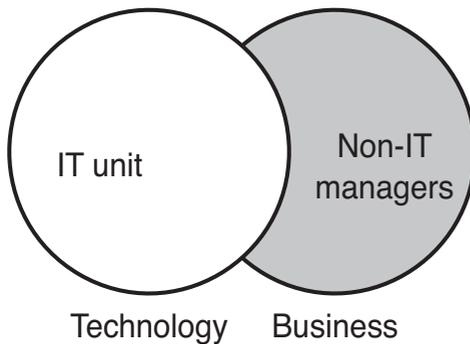


Figure 0.1

This book focuses on the contributions of the shaded part to corporate IT decisions.

of which was in IT. IT matters far beyond just large or legal businesses. This book covers small business, nonprofits, and government agencies. (The United States has 28 million small businesses and 1.5 million nonprofits but only 4,000 publicly traded corporations.¹) Even drug dealers,² prostitutes,³ and food carts rely on IT to compete—and differentiate themselves—in their markets. My examples are global, spanning Asia, Africa, Europe, North America, and South America.

What This Book Is Not

This is a textbook, not a scholarly book, an airplane read, or an IT strategy-in-a-box book. I'll give you the tools, but you'll have to do the thinking. This book is *not* intended for IT managers and IT professionals, nor is it intended to make you one. It does not survey the IT field, provide a condensed version of an IT manager's training, educate a potential CIO, or create a competent IT manager (figure 0.1). My ideal reader is an executive MBA student who has taken *some* introductory MBA courses. I assume neither an undergraduate business degree nor prior IT knowledge.

Why This Book

This book was born out of exasperation. Imagine buying a shiny new car, only to find its user guide chock-full of explanations of how it works, engineering diagrams, and fuel compression ratios. It might be a mechanical engineer's idea of fun, but

not an owner's. Most existing MBA IT strategy textbooks are like that car manual, attempting to create an IT manager lite. Instead, I focus on what non-IT managers need to know to intuitively grasp how IT fits in your total business. It is jargon-free, acronym-light, and industry-agnostic and focuses on enduring fundamentals. However, it is research-based, building on more than 250 studies by more than 350 researchers cited. I connect IT strategy to your other MBA core courses on strategy, corporate finance, accounting, marketing, operations, and statistics.

A Roadmap of the Book

I have structured this book as four modules shown in figure 0.2, each of which builds on the ones before it. Each chapter opens with a *jargon decoder*—nontechnical explanations of its five to seven key ideas digestible by a random colleague at your office water cooler. To converse with your IT colleagues, you need to know what they mean by the words that they use. The jargon decoder that you'll need to get started appears in table 0.1. Each chapter covers why, where, and how non-IT managers can contribute to their firms' IT decisions and the business penalties of leaving them to your IT unit. Each chapter ends with a checklist summarizing how you can contribute to your firm's corporate IT decisions. Table 0.2 previews the takeaways from each chapter.

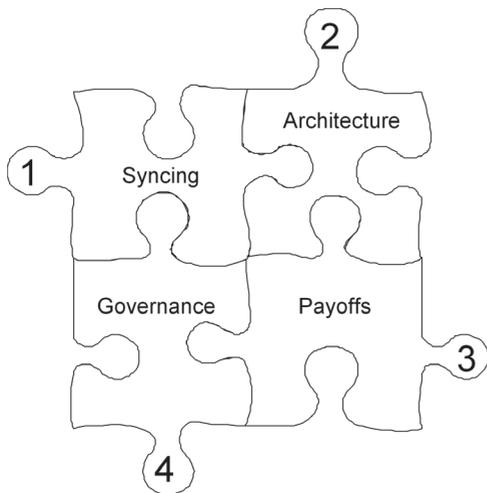


Figure 0.2

This book is organized as four modules, which correspond to its four parts.

Table 0.1
 Every Chapter Opens with Such a *Jargon Decoder*—
 a Table of Lay Explanations of Its Main Conceptual Ideas

| | |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Jargon decoder terms | The five to seven central concepts in lay language that precede every chapter in this book. |
| Firm | A generic reference to a for-profit corporation, small business, nonprofit organization, or government agency. |
| Archrivals | Your firm's top three industry competitors today. |
| A rose by any other name | Corporate IT in this book has different labels in different parts of the world: information systems (IS), business information management (BIM; used in the Netherlands), information and communication technology (ICT; used in Europe and Africa), and management information systems (MIS; used in North America). I simply call it IT to avoid all this pedantic obfuscation. |
| Information technology (IT) | The <i>business technology</i> —including hardware, software, and data—used to run your business. Throughout this book, people and business processes are <i>not</i> IT but an integral part of IT strategy. |
| IT unit | Your in-house department responsible for your firm's business technology; historically called the corporate IT unit or the MIS department. |
| Line functions | Specialized functional departments such as accounting or marketing that constitute your firm; a synonym for departments, business functions, business units, or functional areas. |
| Non-IT manager | A midlevel manager in a line function <i>other than IT</i> ; this book's sole audience. |
| Market offering | A revenue-generating product or service. |

An Index-Card Preview of This Book's Message

An index-card summary of this book's message—in figure 0.3—spans five ideas (→) as follows:

1. A “trifecta”—digitization, infusion of software, and connectivity—is disruptively transforming nontechnology industries (chapter 1).
2. You grasp your firm's place in the new order using a three-lens framework to analyze how IT is changing your industry, how your firm can use IT to deliver more value than its archrivals, and whether an IT asset is a sustainable edge (chapter 2).
3. IT inches your firm toward its strategic aspiration (chapter 1) only when it is *synchronized* with its tactical strategy.
4. Syncing demands obsessively focusing your portfolio of IT assets—infrastructure, software applications, and data (chapters 1 and 3)—on its fundamental corporate goals and governing them well (chapter 5).

Table 0.2
A Preview of Each Chapter’s Takeaways for Non-IT Managers

| What you will learn | |
|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Part 1: Syncing | |
| Chapter 1 | How corporate IT—often a costly liability—can become both strategic and economical; a “trifecta” of IT trends disrupting nontechnology industries; and how non-IT managers infuse competitive firepower into their firm’s IT strategy |
| Chapter 2 | How IT alters an industry’s balance of power; how you can spot opportunities to leverage IT to beat your archrivals; and how the amalgamation of software and data can create a hard-to-copy competitive advantage |
| Part 2: Architecture | |
| Chapter 3 | Ensuring that irreversible choices about IT assets fulfill today’s business needs without handicapping future strategy |
| Part 3: Payoffs | |
| Chapter 4 | Ensuring that your IT investments deliver operational and financial impact; and investing under uncertainty |
| Part 4: Governance | |
| Chapter 5 | How establishing <i>who decides what</i> about IT simultaneously gives it strategic oomph and economy |
| Chapter 6 | Why IT projects fail to deliver business benefits; and three antidotes from non-IT managers |
| Chapter 7 | Choices, challenges, and solutions in sourcing corporate IT |
| Chapter 8 | Protecting your IT assets against malice and disaster in ways that your IT unit cannot |
| Chapter 9 | Recognizing the business potential of emerging technologies |

5. Firms that do this well thrive in a “Red Queen” competitive race; others fumble and die. Over the course of all this, you’ve got to keep your IT projects from sinking (as most do; chapter 6), avoid sourcing decisions you’ll regret (chapter 7), keep your IT assets safe (chapter 8), and credibly measure what you’re getting for your money (chapter 4).

Archrivals

Identify your top three competitors in your industry *today*: your firm’s nemeses. I’ll call them your *archrivals* throughout this book. This is important: Think of just these

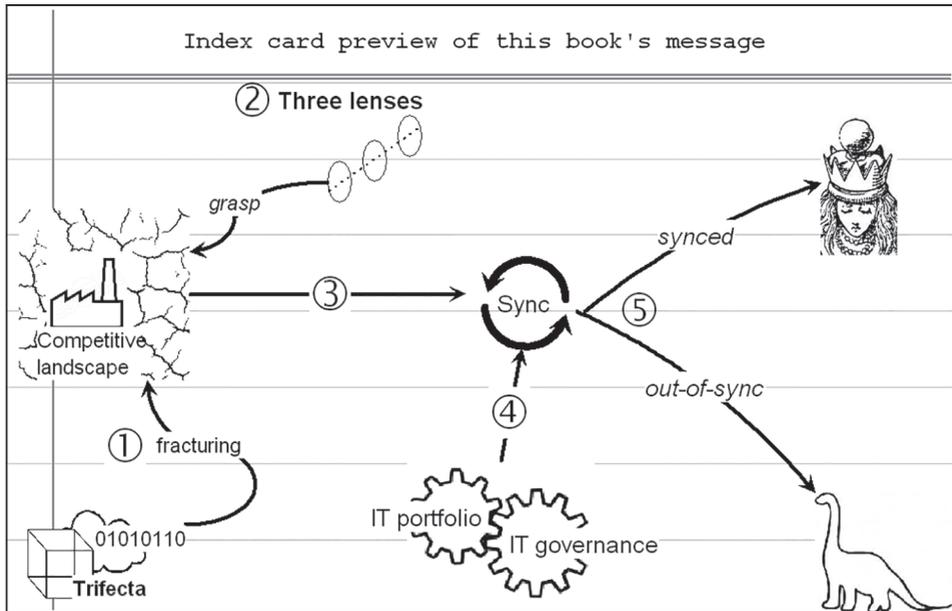


Figure 0.3
An index-card preview of this book’s message.

three every time you see the word “archivals.” Everything in IT strategy is relative to them. Before you continue reading, pencil in the names of your three archivals below and then again on the first page of this book:

1. _____
2. _____
3. _____

Think of this book as a conversation between you and me. Whether you are a student or a professor, I’d love to hear your reactions, suggestions, and quibbles at tiwana@uga.edu.