

How important is IT?



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All IT vendors, be it hardware or software vendors, will argue that IT is a key factor for the successful deployment of your business. And most companies will agree to that. However, companies should not overemphasise the importance of IT and certainly not think that it will be the cure for all diseases. IT is only one of the things that matter, even in the Internet space.

The killer applications

"IT is the differentiator. Killer applications. The power for your business". We have all seen these types of slogans and claims made by IT vendors. Some of these really give you the promise that by the virtue of using that specific type of technology, your business will be catapulted to new heights of success. To some extent, some of this will be true, but more often the results will not be very magical. If you give it some thought, do you know many companies where IT really was the thing that made the difference?

Yes, we know of a few companies that went out of business after some kind of (natural) disaster had hit their IT centre and not being able to recover sufficiently fast.

And yes, we know of a healthcare company where they lost some patients due to IT malfunctioning. But the company is still there. The patients...

Sometimes, a successful IT project will bring substantial cost savings or a nice marketing success (e.g. being the first local bank on the Internet, etc.), but did this really dramatically change the competitive position of the company?

When we worked for Tandem Computers, provider of fault-tolerant computer systems, salesreps used to have these really ugly tie-pins with on it the cryptic word "YCDBWYCID". The marketing idea behind it was that the prospect, intrigued by the saying of the thing, would ask, "What does it mean?" and then the Tandem salesrep would answer "You Cannot Do Business When Your Computer Is Down". "So, you have to buy Tandem" was of course the next statement.

Well yes, this was and still is a valid statement... to some extent. But we all know what happened to Tandem in the meantime. Either computers did not fail frequently enough or it didn't really matter all that much. Exit Tandem.

The Internet age

Now, some people will argue that the importance of IT is growing, especially in this new Internet and E-business game that we live today. And indeed, you can find lots of arguments why this should be so: 24x24 availability needs, fast response times, seamless access to legacy data, scalability needs, etc. This has resulted in the recent explosion of various types of Internet software and tools, application servers, E-something solutions, etc. Again, all of this is valuable, but it is (and will remain) only part of the reality.

A striking example of this was given recently in an article of the [Patricia Seybould Group](#).

The Patricia Seybould Group does argue that one of the key things on the net (at least in the context of a business-to-consumer approach) is the ease of doing business and building the relationship with the customer.

Recently, they organised an e-commerce survey that was especially focused on such aspects of customer service, ease of doing business, accuracy of information, speed, etc.

One of the interesting results of the survey was that being successful on the web did not mean, by definition, that this company was using the most sophisticated IT infrastructure.

One of the companies whose e-business quality scored within the top-three of the survey proved to run their e-commerce on top of a business environment that still did use a multitude of manual procedures, simple file transfer based data exchange mechanisms etc. Still, this company succeeded in giving their customers the experience of superior e-business quality.



CUSTOMERS.COM
How to create a profitable
business strategy for the
Internet
Patricia B. Seybold with Ronni
T. Marshak


Alignment

This brings us, once again, to the conclusion that IT tools and implementations are only part of the solution. They are an important part, but no guarantee for success. Our view is that IT will allow you to provide a better service, IF you use it on top of an already well organised business and in a way that it enforces these business processes. Together, they can provide a winning combination.

However, IT in itself will not give you an even moderate service quality if the alignment with the business processes and/or the quality of these processes is inferior. Unfortunately, today's reality still is that most of the Internet e-business sites are showrooms of companies that are trying to give a facelift to their outside marketing, but do not understand that the real facelift needed is the internal one.

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