Introduction of a new technology on market.

Introduction

It has been documented that the expanding IT has become a critical resource to the success of companies. It is true that corporate spending for companies has increased over the years in due to companies seeking to have a competitive advantage over one another in the world of business spending. The most difficult question that most companies are faced with is the doubt of whether they actually know if IT has any influence on the operation and performance of the business in particular. In the light of organizational studies, resource management is defined as efficient and effective use of an organization's resources when the need arises. Such resources include information technology.

Information technology in its context did not come into being suddenly. Studies link its growth as far back as the middle ages. Some scholars even suggest that a simple but not recorded act of information technology in application may have been the invention of word spaces during the middle ages (Carr, 2004). More often than not, a new idea is met with either rejection or acceptance. The same idea could impact a certain target field positively or negatively. The two impact levels (positive or negative) may further depend on the extend of application of a new technology on market.

Therefore it is a wish of all company managers, to seek a competitive edge over their competitions by application of technology that others may not be conversant with. However, it is not a direct guarantee that information technology brings with it or accomplishes the inspirations that it lures users into. The answer therefore we seek address is, if technology with its changepace applicable in business management and at what level should it be integrated into a business entity?

Is information technology important?

This discussion is entirely based on the critique of Nicholas Carr's book entitled, " Does IT Matter?" an approach he employs to draw closer the impacts IT on business enterprise is acceptable. From a historical point of view, technology has been advancing at a very high rate since time immemorial. Beginning from the industrial revolution back in the 17th century, to the modern day computer era, revolution of today's IT is thought to have begun in early 1950s.

Since then, it has been a challenge to many corporate institutions to integrate it business as a resource. It is even claimed by Carr, that more than five decades afterwards, many people do not understand the influence of IT on commerce as a general entity and corporate performance in particular. Carr alleges that industrialization productivity had little impact from computerization. However at individual level, it is a fact that information technology has changed out the way business is done. It is also evident that information technology and its application do not take a general application in a corporate set up.

Any corporate institution has definite structure thus the impact of information technology depends on individual processes that takes place at departmental levels. The key words that come with information technology as given by Carr are: competitive edge and industrial leadership. Carr documents there are no clear-cut or basic conclusions of the effect of IT on competitiveness and profitability of an individual business. However, the presence of IT and its power has of late elevated it to a resource whose presence is of critical concern to managers in every firm's success (Bloomfield, 1997).

In support of this argument, IT in modern days has sparked an increase in corporate spending and investment. Due to an importance that is attached to information technology, the world has experienced even a struggle between nations to invest so much in their military might. Companies today allocate a sizable amount of their budgets to IT than it was before. This is done so that companies can out-compete others over market dominance and capitalization. In agreement to IT as a resource, it is evident that it is scarce. This is also emphasized by Carr in his arguments. As a result of this scarcity, has become a basis of competitive advantage in a sustained manner.

Functions of IT

IT has the following core functions in an organization: data storage, processing and transport. These functions comes with affordability and accessibility. History has it that in 1950s, nearly all institutions used mainframe computers to perform the functions mentioned above.

Just to comprehend how fast information technology has transformed, today nearly everyone has a personal computer on his desk, even some portable laptops personal computers have been made more portable that they can be carried everywhere. These personal computers can further be interconnected so that information is shared using some terminals in an organization (Loube & Zammuto, 2003). Carr suggests that gaining a competitive advantage is achieved when one has what a competitor does not have.

To qualify his argument, if look at IT as a commodity of importance that two companies are contesting, one company between the two may win the harnessing and utilization of IT as a commodity. By way of example, if we have two companies vying for instance, a mineral field, a company that has technology to mine shall have a competitive advantage over the one that doesn't have. Therefore, IT has been given capacity in an organization as a commodity of input to production just like real raw materials required in an organization for production.

Strategic dimension of IT in business

Before, implementing an IT project I a firm which formally didn't have one, some considerations like efficiency, customer satisfaction, service delivery and distinctiveness have to be considered. Distinctiveness here means that two firms could be producing the same product but both firms' presents the same product to their customers in a modified manner, such that customer's choices are influenced so that he/she buys the more appealing product, even though the products are the same. With appropriate IT, firms can achieve distinctiveness and reap profits. Companies that invest wisely in technology have been known to reduce cost of production of goods.

The correct type of such investment is technology. If we draw an example of two companies producing same products, the only way one will fight to out-market the other is through pricing. In such a case, no single company will have a noticeable competitive advantage over the other. Therefore, an investment that provides differentiation attracts investment.

IT and its success

Information technology does not guarantee direct success, particularly if the strategy given to its importance is cost oriented. Modern firms have attached an importance to IT such that it is taken as a cost in production. In the light of IT as a cost, the challenges that come with it are: the much to spend on IT and management of IT assets and staff. This challenge faces any manager who wishes to adopt some IT aspect of business improvement.

Today, firms seeking to absorb IT into their production lines consider keenly, the risk mitigation part of it more than the innovation that it presents.

Conclusion

In conclusion new technology is good but, sometimes it may inspire illusions that are risky. Information technology has good end results to a firm but its usage has to involve a thorough investigation of its applicability. It is also better to asses your past options technology-wise before choosing to have a transformation in IT. This has been the reason that many firms have failed after implementing IT in a company. If a firm does not embrace information technology correctly, it will definitely not enjoy the benefits that come with technology.

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