

The use of information technology case study examples

[Business](#), [Company](#)



The use of information technology is important in the current society. More innovations are coming up daily. The main reason why companies use information technology is to gain a competitive advantage. According to Carr (2003), companies in the early 1980's used information technology as a competitive advantage. For instance, the American Hospital Supply introduced electronic ordering of medical supplies by hospitals. This provided American Hospital supply with a competitive advantage over its rivals in the same industry.

The implementation of new technologies, however, requires proper research to ensure the company does not invest in poor decisions.

Companies need to be aware of new technologies in their respective industries to ensure they maintain a competitive advantage. The challenge comes in the management of information technology by increasing profitability and reducing risks. Most losses involve utilities used that affect the technology in use, for example, electricity.

Increase in technological development and research has made the information industry very versatile in terms of changes. A technology a company may be using now may become obsolete after just a few years. Companies should diversify in different technologies to avoid disastrous situations. The application of a new technology should not be made on a trial basis, as this will increase costs. Companies need to ensure the various information technologies can support a variety of their functions and in case the information technology encounters a hitch, the normal functioning of the company will not be impeded. Managers need to be aware that using a new

technology does not necessary translate into profits. Such has been the case where the managers are overspending in investing in different information technologies, which has resulted to losses.

According to KPMG (2010), the use of technology has increased the employment levels. The presence of a new technology will require personnel that are trained in that specific field relating to the technology in question. According to Oz (2009), most of the best performing organizations spent 7 percent more per employee on information technology. Most of the other professions rely heavily on the use of information technology. Professionals such as engineers are required to know how to develop and use information technology. People in whatever field of expertise they are involved in, have a higher chance of getting good jobs and faster promotions when equipped with proper information technology knowledge and skills.

Information technology offers vital advantages to an organization such as collection, storage, and presentation of facts. For instance, cloud computing is one technology that is becoming popular. This technology allows users to run and store their data from remote servers. It is mostly being used because of the free cost of the technology. New mobile applications provide business users with more functions and can operate from a variety of locations. The revenue generated from cloud computing, and mobile applications is increasing every year (KPMG, 2010).

Information technology projects include a number of risks. These include lack of executive support, lack of user involvement, poor planning, and lack of

clarity in the requirements (Schwalbe, 2011). This necessitates the need to have risk management on technology related project. Therefore, to have risk management in itself is an investment that an organization needs to undertake to ensure the success of a project. Some of the risk response strategies that an organization can use include risk enhancement, risk sharing, and risk exploitation (Schwalbe, 2011). Risk enhancement involves identification of the key drivers of the positive risk. This is a form of advertising, which may attract potential investors in the project. Risk sharing involves including a third party in the ownership of the risk. Consultants who are proficient in application of a technology should be involved as a way of risk sharing. Risk exploitation involves using avenues that will ensure the public relations related to the use of the technology are improved.

Information technology is important in today's business world. Almost all processes involve some form of information technology. The issue of concern needs to shift from the adoption of new technologies to the management of information technologies. This is because companies may lose a lot financially due to poor management of information technologies. Therefore, before the organization makes an investment in any information technology project some of the management issues discussed in this article needs to be taken into consideration.

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