

Literature review for prioritizing it investments

[Business](#)



Unit Literature Review on the Benefits of Prioritizing IT The role played by Information technology (IT) is vital in helping industries and organizations and businesses attain their goals. Success of the organizations depends on the well setting and organization of IT priorities. For an organization to succeed, it should ensure that it prioritizes the IT use in line with its objectives.

However, over-prioritization of IT over other factors that contribute to the business success may result in undesired results. This implies that an organization needs to identify ways of achieving a beneficial IT project. This review seeks to analyze the benefits of prioritizing IT investment in businesses.

According to the article Optimize Cooperate Investment in Information Technology by OracleInsight, IT investments take the lead in many companies; many companies have invested in IT making the total IT investments worldwide rise rapidly (5). This has prompted research on the benefits that come with IT investments. First, IT has improved the organization's communication systems, which adds to the long term benefits in a business. IT also promotes the exchange of ideas within and outside the business, as well as ease complexity of communication system making it convenient and confidential. Similarly, Due notes that communication to the customers and other business stakeholders become easy with the use of IT (74).

Secondly, majority of the managers prioritizing on the IT investment have experiences that facilitate their application of IT equipment and a lot of information concerning the applicability of the software and other IT features are available worldwide. Many companies own computer programming models with well skilled computer and IT skills (Sykes and Clayton 2).

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Additionally, these IT investments proved that they have the ability to improve future results. Information stored in the computers is used as a reference in the future. Thirdly, IT investments create a competitive advantage. For instance, Kearns after conducting a case study on two companies notes that IT investments help companies achieve a competitive edge, but a success in prioritizing IT investments requires the involvement of management, and also depends on the organization structure (10).

Lack of information on the actual role played by IT makes it difficult to categorize the benefits as either tangible or intangible. This is caused by the fact that most organizations do not define or split their benefits in terms of outset. Additionally, IT projects cannot be categorized alone, therefore, making it difficult to justify their actual benefits. It is, therefore, difficult to categorize the benefits as either tangible or intangible. As a result, Due suggests that organizations should aim at developing metrics that would allow them to measure the business-based benefits of the IT approaches (76). Furthermore, a case study carried by ProQuest on two companies reveals several benefits of prioritizing IT investments including handling a large number of criteria, dependency of investments, and represent both intangible and tangible items (16). However, the article also acknowledges that currently there is no model in place to measure individual financial benefits of IT investments.

Prioritization on IT investments, however, beneficial they may be, has been realized to pose some challenges. Managers and executives argue that they spend a lot of money in all perspectives of the IT investment. This planning and implementation of IT investments is demanding; thus, making it expensive. Maintaining of electronics is expensive indicating that there is a <https://assignbuster.com/literature-review-for-prioritizing-it-investments/>

need to adhere to many issues during the planning process. These issues include focusing on the right IT projects, correct response to IT demands, create a collaborative environment with stakeholders and finally ensure that the expenses are relative to the existing economic conditions. Conclusively, IT investment prioritization has influenced the organization and structure of many companies. This brings both benefits and challenges.

Works Cited

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