Chapter XIV

Virtualisations and its Role in Business

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ABSTRACT

This chapter presents some of the aspects of virtualisation and its role in modern society. In today’s world, a controlled virtualisation process creates enormous opportunity for economic growth of those countries and organisations, which, so far, due to various restrictions, have had no chance to become competitive in the global market. Those people and organisations that know how to make use of the opportunities presented by virtualisation may become more effective in business. Moreover, virtualisation creates the best options for intellectual enterprise development. Virtualisation is a very complex process. The author would like to discusses both the positive impact virtualisation can have on society and also some dangers or problems.
INTRODUCTION

Virtualisation, which is a subject of this thesis, could not exist without information technology (IT). Most authors who write about the problem of virtualisation apply an object-centred approach. Within this approach, the analysis is based on organisations and their structure. Perhaps this approach should be supplemented by a process-centred approach, which allows presenting both a complex nature of the virtualisation process and the analysis of its impact on society. According to Percival-Straunik (2001), virtualisation triggers off the process of integration and creation of global organisations. It is the basis of new business quality measures such as e-business and e-commerce.

The hypothesis, which should be proved in this thesis, is as follows: In today’s world, a controlled virtualisation process creates enormous opportunity for economic growth of those countries and organisations, which, so far, due to various restrictions, have had no chance to establish themselves on the global market and become competitive.

In practice, the restrictions on development are of a varied nature. They might be economic, legal, psychological, and organisational. The hypothesis presented earlier may be developed further; in the modern world, only those people and organisations who know how to make use of the possibilities presented by virtualisation may become competitive on the global market. Moreover, virtualisation creates the best options for intellectual enterprise development. Barrenechea (2001) is perhaps completely right when he says, “e-business or out of business.”

The reason for which the virtualisation process has to be controlled is the fact that it brings advantages as well as new unknown dangers. Some of these dangers have been described by Chenoweth (2001) in “Reality war on the information’s highway.” In most cases, virtualisation, according to Breier (2000), Gates (2000), and Maitland (2001), is a chance for a significant improvement of one’s life situation or development of an organisation.

The term virtualisation describes the processes connected with IT application. It is facilitated in the following areas of activity:

- In traditional organisations that want to expand their range of activities and have access to IT and global computer network. Such organisations develop through creating new subservient organisational units, such as Internet kiosks or shops. Other steps leading to further development include expanding, through the IT, the already existing sphere of activity — for example marketing or human resources.
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