Chapter XII
Strategic Capital Capacity and Capability Management of IS/IT

Teay Shawyun
Assumption University of Thailand, Thailand

ABSTRACT

As IS/IT are technology enablers in the creation and delivery of the value, it is contended that all the core processes enabled by its technology should be aligned through the “ways and means” and the “what and how” value is added through the IT enabled processes. The management and implementation of the IT is dependant on the capacity and capability of the firm, and these are human and organizational based, that ultimately defines the firm’s competency affecting successful implementation and utilization of the IS/IT. This chapter proposes a “capacity and capability” model based on the management of technology approach (the management of its Technoware, Humanware, Inforware and Orgaware) and its technology capabilities approach to manage its human, information and organization capitals critical to the successful IS/IT implementation and utilization. The “capacity and capability” model is the base of the integrated strategic capability driven implementation model that is contended to address the key implementation issues in a more integrated and comprehensive way. The capability and capacity management of the IS/IT is contended to better address the utilization success based on the inter-twined THIO that addresses the human and organizational issues as compared to the traditional approach of having the MIS resources.
INTRODUCTION

A successful information technology system must contribute to an organization’s business functions (Ghoshal and Kim, 1986; Simon, 1990; Miller, 1991), and satisfy its operational, tactical and strategic needs. Rockart and Morton, (1984 and 1989) summarizes it as: “Information technology has become inextricably intertwined with the business. It has therefore become the province of not only IS professionals but of every manager and member in the organization no matter what his or her level is”. The dynamics of information technology must run parallel with the business, product life cycles, and the globalization process which are defined by corporate restructuring, corporate freedom to make strategic moves and ability to organize operative functions that optimizes synergy of different SBUs which calls for fast moving and fast reacting management (Koski, 1988). The location of information technology decision making is best determined by and should align with business strategies (Boynton et al., 1992).

Bjornsson and Lundegard (1992) said that the most important criterion for a successful implementation of information technology in a business is that the effects and implications of information technology are in line with corporate strategy. The main task is to evaluate the role of information technology and its effect on corporate performance. Whereas in 1991, Sankar, said that the successful implementation of information technology requires a conceptual model of the change process and the organization to enable managers to plan the change. It calls for managing the domains of behavioral, technical and process, management systems and structure which constrains the implementation of information technology. It expands the relationship of each of the domains and management of change to bring about successful implementation of information technology.

Based on the imperative to manage the successful implementation of the firm’s IS/IT within the context of alignment with the firm’s strategic intent, it is the objective of this chapter to identify the strategic capital assets of the human, information and organization from the management of technology approach. The aim is to come up with an integrated approach for the strategic management of the capacity and capability of the IS/IT that address the issues of the human and organization that had impinged on implementation issues but had been addressed independently of each other. This model will identify the key competency components that need to be addressed “as a whole and in totality” to strategically manage the IS/IT implementation.

INFORMATION TECHNOLOGY: COMPETITIVE NECESSITY OR ADVANTAGE

The continuing raging battle as to whether IT is a competitive necessity or competitive enabler still rage on today. In Carr’s “IT does not matter” (Carr, 2003), he argued that IT had become a commodity through its ubiquity (as IT are easily available and affordable), replicability (as processes are embedded in the software) and necessity (as IT is the minimal enabler to support the business) that had lost its strategic value in being a scarce resource to enable an organization to compete and survive in the market thus becoming an infrastructure technology. In counter-arguments by various authorities in IT to Carr’s viewpoints through the Letters to the Editor (HBR, 2003), Brown and Hagel III stated that extracting value from IT requires innovation from business practices through rigorous investment requirements that actually brings about differentiation in the new practices or as called by Alter – the work system and not the IT or IS itself. This is also echoed by McFarlan and Nolan through understanding IT and its
Related Content

Information and Communication Technology for SMEs' Competitiveness
www.igi-global.com/article/information-and-communication-technology-for-smes-competitiveness/179545?camid=4v1a

A Systematic Approach to Evaluating Open Source Software
www.igi-global.com/article/systematic-approach-evaluating-open-source/52071?camid=4v1a

Developing a Global CRM Strategy
Michael Shumanov and Michael Ewing (2009). *Selected Readings on Strategic Information Systems* (pp. 81-93).
www.igi-global.com/chapter/developing-global-crm-strategy/28690?camid=4v1a

Different Perspectives on KM 2.0 New Practices and Web 2.0 Tools at Renault-Nissan Alliance Since 2000
www.igi-global.com/article/different-perspectives-on-km-20-new-practices-and-web-20-tools-at-renault-nissan-alliance-since-2000/89348?camid=4v1a