The Expert's Opinion

John Callahan is the Director of Information Resources Management for Hershey Foods Corporation. In that role, he is the senior corporate official responsible for the information systems activities throughout the corporation. His principle charter is to establish corporate-wide information systems plans that support the corporation’s strategic business plans and objectives. Specifically he is responsible for both identification and implementation of information systems for executive management and corporate staff departments, and corporate-wide technology planning and coordination. In addition, his group also serves as a resource for the operating divisions on specialized projects and in areas such as information systems planning and emerging technologies.

Hershey Foods Corporation, based in Hershey, PA, is a $1.7 billion organization engaged worldwide in the manufacturing, distribution, and selling of consumer food products such as chocolate and confectionery products and pasta.

Interview by Mehdi Khosrowpour

IRMJ: How do you make top executives aware of the importance of information resources?

Callahan: That is a challenge that is almost never ending. One approach that has been successful for us is an annual information systems conference that we have held the last five years. Our objective is to bring together our senior MIS practitioners, managers, and senior management from both corporate and the divisions and expose them to outside experts of some repute who speak on the benefits to be gained from the application of information technology to our particular lines of business.

IRMJ: What is the role of information resources in the overall growth and success of an organization?

Callahan: It’s fairly clear that there is a role to be played in terms of the traditional support services that are needed. This would include the classic applications of accounting, finance, the processing of orders, managing of inventories, etc. However, what we see developing is that information resources is becoming increasingly important in all aspects of our business. Before, we had to focus primarily on our competitors and their activities. Now, we have to be equally sensitive and, in some incidences, more sensitive to what our customers are expecting of us and to the opportunities available in dealing with our suppliers. The challenge is to identify these opportunities, establish a consensus that the information systems opportunities are worth pursuing versus other opportunities outside the information systems area such as advertising and promotions or R&D, and then execute them effectively.

IRMJ: What do you consider to be some of the major problems in management of information resources in organizations?

Callahan: I can think of three areas that present the biggest challenge. First, I think there is a need for more of an external focus by the information resources discipline. I think the tendency is to focus primarily on the technological aspects of our responsibilities. Yet, as we test what’s expected of us, we find that increasingly there is a critical link to satisfy our customer, both from our management’s viewpoint and from our customer’s viewpoint. To do that we have to be more conversant with the needs of the customer. If you don’t make a conscious effort to do that in concert with the functional areas, such as sales, marketing, distribution, who are directly responsible for being sensitive to our customer’s needs, then information resources
won’t be as effective as it must be.

A second item is closer linkage with the strategic planning process. I think we find most members of management in agreement that it’s becoming increasingly important to consider information technology as we lay out our plans and strategies. However, there’s still not a natural inclination to include information resources as an active participant in the overall business planning process.

The third problem has to do with more of a routine interaction and involvement with management in the formulation of the more tactically oriented plans. We find today that there are opportunities that arise, that are not foreseen when we developed our longer range plans and strategies. In many instances, the ability to effectively address these opportunities from a systems standpoint is critical to their being a success. Our acquisitions of Nabisco Brands in Canada and Peter Paul Cadbury here in the states are good examples of this type of situation. Without being routinely involved in the near term tactical planning process, the ability to successfully address these types of situations is jeopardized.

IRMJ: Do you consider information resources as important as other major corporate resources, such as material, financial, human, or management resources?

Callahan: The answer to that is clearly yes and I don’t think you would find too many people who would dispute that position. However, the difficulty is getting your arms around it. Human resources are fairly easy to quantify in that you establish a specific position or department to perform a specific function. With physical plant resources, if you need more production capacity you have to acquire additional bricks and mortar. If you want to expand your sales network, then you need additional sales representatives.

In my view, there is a need to look at the application of information technology and information resources in a similar manner. This is extremely difficult to do if information resources is not an active participant in the strategic and tactical planning effort of an organization. It makes it very difficult to determine if information resources’ agenda is properly aligned with organization’s overall mission and current objectives.

IRMJ: What is your assessment of end-user computing? Also, how do you think this particular need can be satisfied and managed effectively?

Callahan: I think end-user computing has been one of the most successful vehicles for demonstrating the benefits that can be derived from the appropriate application of information technology. Personal computers particularly have been very successful in demonstrating how we can consider more opportunities by extending people’s effectiveness. As a result, personal computers have been very valuable in demonstrating the value of information resources to senior management in a tangible way.

In terms of managing this area, it is quite a challenge. The difficulty is to determine how much is enough and which direction to take. The number of available options is significant and continues to grow. Like everything else, life is full of choices and not everyone is always in full agreement with the ones chosen. Hopefully, we’ve made more right than wrong decisions in this area.

IRMJ: What is your assessment of technological developments of the past two decades in this field?

Callahan: I think they’ve been substantial and will continue to be. In fact, at times the number of alternatives seems almost overwhelming.
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