Chapter XIV

Applying Information Technologies in Innovative Ways: A Case Study of the Pharmaceutical Distribution Sector

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Abstract

The main purpose of this case study is to explain the process of discovering and application of new information technology (IT)-based opportunities developed by a Spanish enterprise whose activity is pharmaceutical distribution. It is a mature firm, which during the course of the last few years has been able to adopt information technologies in innovative ways thanks to the intrapreneurial spirit of its managers. In the analysis of this case study, after presenting the theoretical base, we describe the history of the organization, its main characteristics, and its type of business. Next, we explain the technological utilization of the company and its
managerial implications, paying special attention to its most innovative projects. We conclude with the description of the main challenges and problems associated with the achievement of the technological goals adopted by the organization.

Introduction

The main purpose of this case study is to explain the process of discovering and application of new information technology (IT)-based opportunities developed by a Spanish enterprise whose activity is pharmaceutical distribution. It is a mature firm, which during the course of the last few years has been able to adopt information technologies in innovative ways thanks to the intrapreneurial spirit of its managers. This rapid and necessary adaptation to the requirements of the new economy is positioning the company within its sector as one of the leaders. The principal method of data collection was through in-depth semistructured interviews of the managing director and IT professionals of the company. The development of the interviews took place during June and July of 2005.

First of all, it is necessary to explain some concepts related to the main issue of this case study. Various definitions of technology and technology management have been proposed. The following ones summarize their main characteristics (Probert, Farrukh, & Phaal, 2004, p.77):

1. **Technology** is broadly defined as the “know-how” of the firm, which emphasizes the applied nature of technological knowledge. While technology is often associated with science and engineering (“hard” technology), the processes which enable its effective application are also important; for example, new product and innovation processes, together with organizational structures and supporting communication/knowledge networks (“soft” aspects of technology).

2. **Technology management** addresses the effective identification, selection, acquisition, development, exploitation, and protection of technologies needed to maintain a market position and business performance in accordance with the company’s objectives.

The management of technology includes the following (Durand, 2004, p. 49):

a. Observation, identification, and assessment of competing technologies to fulfil a certain market need.