

December 1999

# Panel 4 Visions of the IT Enterprise in the 21st Century: Managerial Issues and Research Opportunities

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## Recommended Citation

Sambamurthy, V.; Zmud, Robert; Jacobs, Gerry; Cross, John; and Levine, Edward, "Panel 4 Visions of the IT Enterprise in the 21st Century: Managerial Issues and Research Opportunities" (1999). *ICIS 1999 Proceedings*. 68.  
<http://aisel.aisnet.org/icis1999/68>

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## PANEL 4

### VISIONS OF THE IT ENTERPRISE IN THE 21<sup>ST</sup> CENTURY: MANAGERIAL ISSUES AND RESEARCH OPPORTUNITIES

**Chair:** V. Sambamurthy, University of Maryland, U.S.A.

**Panelists:** Robert W. Zmud, University of Oklahoma, U.S.A.

Gerry Jacobs, Principal, Helix Group, U.S.A.

John Cross, Executive Vice President, Strategic and Technical Consulting, AppNet,  
U.S.A.

Edward Levine, Policy Coordinator, Executive Office of the Governor, State of  
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Dramatic upheavals and transformations are occurring in the business spaces of most contemporary firms. Established incumbents face threats from new upstarts who are disrupting the established bases of competition and creating new recipes for delivering customer value and executing business strategy. Globalization is subjecting firms to newer rivals and at the same time presenting opportunities for significant expansion of business scope. The emergence of the Internet suite of technologies has fueled significant disintermediation as well as the emergence of new intermediaries to present opportunities for newer and more channels of reaching customers. Therefore, most business firms are undertaking fundamental transformation thrusts in order to reposition their value propositions, acquire new capabilities, and execute their business strategy with agility. These thrusts include reorganization around processes, integration of knowledge, tighter relationships with customers, suppliers, and key business partners, and experimentation with new business models.

Different forces are affecting governmental departments and agencies. Calls to dramatically improve citizen/client services and access to these services are occurring at the same time that governments are finding their budgets slashed. The result, however, is the same. Governmental organizations are beginning to undertake fundamental transformation, applying the same thrusts as observed in business organizations.

Information technologies have become one of the significant engines of these business transformation thrusts. Traditionally, firms have considered IT to be a strategic differentiator, but the primary role of IT has been in facilitating cost economies, faster cycle times, and better decision making. Today, the strategic role of IT has expanded to include revenue generation through flexible processes, value-added customer relationships, and direct sale of digital products and services. Further, the IT organization has become a more integral element of the value proposition as firms seek more intimate customer relationships, novel channels of distribution, innovative products and services, and global reach and agility. How should IT organizations respond to the transformed expectations about their contributions to business value?

At the same time, the management and organization of IT activities in firms itself is undergoing significant changes. A variety of forces are compelling IT executives to apply fresh thinking to the conduct of “IT business” in their firms. These forces include:

- Digital convergence is causing significant changes to the structure of the IT industry and generating an expanded array of IT products and services. These changes impact the architecture and management of IT infrastructures, impact the nature of

alliances and partnerships for gaining access to emerging IT knowledge, and enhance the need for vigilance about emerging technologies.

- Greater strategic focus in IT applications requires tighter client relationships and even direct contacts with the external customers/clients and other external business partners, particularly in electronic business environments. How should the IT organization create more intimate partnerships with internal clients and external business partners?
- The scarcity of IT talent has prompted novel approaches to hiring, retention, and development of IS professionals. At the same time, rapid rates of skill obsolescence raise issues of managing portfolios of competencies and planning for the acquisition of new skills and retirement of obsolete skills. Finally, firms must generate innovative ways for leveraging the scarce talent across the enterprise stream of applications.
- Greater availability of packaged software and a focus on enterprise-wide infrastructures has prompted some IT organizations to redefine their mission as one of solutions integration rather than applications development.

As a result of these forces, senior IT executives in many firms are vigorously examining the nature of their function's value propositions, organizing logic, and relationships with vendors and other providers of IT expertise. Researchers have also begun to recognize the significant need and opportunities for collaborating in the search for knowledge about the visions of the IT enterprise for the future.

As we enter the 21<sup>st</sup> century, interest abounds in portraying visions of the IT enterprise and identifying key management challenges and research opportunities. This panel brings together the knowledge and insights from a group of researchers, consultants and senior IT executives who have been engaged in understanding innovative IT management practice for more than ten years. This panel will examine the following questions:

- What are likely to be the most salient forces affecting the IT enterprise in the 21<sup>st</sup> century?
- How will the IT enterprise deliver value in the 21<sup>st</sup> century? How will these value propositions be different from those applied today?
- What logic will be applied toward organizing the IT enterprise in the 21<sup>st</sup> century? What structures and processes will likely emerge and how will they be different?
- What are likely to be the most significant challenges in transforming contemporary IT enterprises toward this vision?
- What are the significant research opportunities to be undertaken if we are to collectively enhance our knowledge about the IT enterprise for the 21<sup>st</sup> century?

## **DESCRIPTION OF THE PANEL MEMBERS' EXPERTISE**

**V. Sambamurthy** has conducted research and written extensively about the changes occurring to the IT enterprise because of the transformation in its organizational role and the forces impacting the IT business.

**Bob Zmud** has been instrumental in shaping thinking about the organization and management of IT activities in firms through his research and writing for nearly 20 years. In addition, as the Research Director for the Advanced Practices Council of SIM, International, he has access to many of the emerging critical issues facing CIOs as they reposition their IT organizations for the 21<sup>st</sup> century.

**Gerry Jacobs** is a strategic IT consultant (a principal with The Helix Group; formerly with IBM Corporation) whose 30 year career has seen him pioneer a variety of conceptual and tactical initiatives regarding the organization and management of the IT enterprise. Gerry is perhaps best associated with IBM's efforts in the 1980s to develop and disseminate an organizational

architecture for the IT enterprise and his current work to develop and disseminate a process architecture for the IT enterprise. Gerry has published in both *Sloan Management Review* and *MIS Quarterly*.

**John Cross** has more than 20 years of experience in information technology. He provides leadership for AppNet's Strategic and Technology Consulting business. Prior to joining AppNet in 1999, Cross was Group Vice President and CIO of BP-Amoco. While at BP, he reorganized the IT division's mission, reducing global IS expenses by a record 50%. His writings about information technology outsourcing were published in *Harvard Business Review*, and he and Professor Michael Earle of the London Business School were jointly awarded a prize by the Society of Information Management for a publication on the transformation of the IT function within BP. In 1997, *CIO Magazine* rated Cross one of the 12 most influential CIOs of the decade.

**Ed Levine**, currently working in the Executive Office of the Governor of the State of Florida, has been associated with state government IT enterprises for the last 20 years. Having worked out of the governor's offices of two states (Florida and Washington), Ed has been intimately involved in initiatives to rewrite state constitutions on IT issues, to reengineer state IT budgeting processes, and to transform the state IT enterprise. In addition, as a Regional Director for Governmental Affairs for the EDS Corporation, Ed was responsible for the coordination, development, and communication of the Corporation's positions on legislation and policy in seven western states.