

# How to make IT Matter?

Prabhakar Deshpande

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**Abstract:** *Nicholas Carr wrote an article in HBR that IT doesn't Matter. There was lot of controversy on this article. This paper avers that IT can be made to matter not through technology but through business insights.*

When I was a journalist in Economic Times Intelligence Group in 2003, the most important article that I wrote was about this Nicholas Carr article in Harvard Business Review - IT doesn't matter. That article still haunts me.

In May 2003, Nicholas Carr wrote an article in Harvard Business Review "IT doesn't matter". He argues that Information Technology does not offer any competitive advantage to any organization. Information Technology is like a tube light or table - a hygiene factor and not a differentiator.

Carr traces the growth of information technology from the 1960s when it occupied just 5% of new capital expenditure to the 2000s when information technology had started occupying almost 50% of new capital expenditure.

Information Technology has become ubiquitous. And therein lays the loss of Its strategic value. After all, something is valuable only if it is scarce and not ubiquitous.

But now the functions of IT have become available to all and affordable to all and hence do not offer any advantage to anybody.

Carr distinguishes between proprietary technologies and infrastructural technologies. Carr points out that proprietary technology do offer a competitive advantage. However infrastructural technologies do not offer a competitive advantage because they are available to everybody. Information Technology, like railways, is part of infrastructural technology and hence does not offer a competitive advantage. Infrastructural technology offers competitive advantage in early part when it behaves like proprietary technology but soon it loses advantage and becomes infrastructural technology and does not offer any competitive advantage.

There was sufficient rebuttal to this Nicholas Carr article from Bill Gates to IT research houses such as Gartner and publications such as Information Week. Now, this essay will not bother to give a summary of these rebuttals. This essay will try to provide ideas on how to make IT matter.

Most articles on Internet are rebuttals. Some provide quantitative information on how much IT companies spend on Information Technology. And others point out that all MBAs and Technology graduates can't be wrong when it comes to Information Technology.

This article accepts the premise of Nicholas Carr's article that Information Technology is an infrastructural technology such as a railroad and hence since it is affordable and available to all offers no strategic value.

This article takes a line that is completely different from that of Nicholas Carr or even rebuttals to Nicholas Carr. The trouble is all these articles assume that information technology is about technology. It is not. Information Technology is about Business rather than Technology.

The technology part of Information Technology is just 10% and the rest of Information Technology is all about Business.

Hence to make IT matter you have to get Business Brains powering the Information Technology Vision and Mission.

As an example, consider a football. Now, football in itself does not mean much. But an ace football player can bring magic to it whereas a novice won't even be able to kick the goal.

For Information Technology to matter, it has to go from being a Technology tool to being a Business tool.

After all, there is a difference between Information and Data. Information is meaningful Data. Technology can get you Data. But for that data to be meaningful you need business brains, not technology brains.

Hence get those business brains to drive your information technology.

For instance, a soft drink company can find out which city likes which drink. There is no end to the analysis that information technology can be subjected to. And therein lays the advantage of information technology. The advantage lies in business insights, not the technical prowess.

Hence though Information Technology is indeed infrastructural technology offering no competitive advantage the business adds on that better business brains can offer is sure to give a competitive advantage.

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