CEO Focus Topic: Is Insourcing on the Rise?
Focus Highlights:
- Is Technology a Boon or Bane for Business Leaders Today?
- Leveraging Cloud Computing for Organizational Agility
- Balancing Technology, Management, and Leadership
ALSO: A Social Media Health Check, A Candid Conversation About Workplace Culture, The Myth of Work/Life Balance & more!
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Check information on page 14 for this month’s training event!

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Is Technology a Boon or Bane for Business Leaders Today?
By DAN LUO and MILTON MATTOX

Many business leaders view technology as the Holy Grail for solving business problems. It is certainly true that technology enables some businesses to deliver amazing results. However, the question can also be asked: Is technology a boon or bane for today’s business problems?

Many companies gain insight into the various dimensions of consumer behavior by leveraging sophisticated data analysis tools. These tools are available from companies that analyze information emanating from both structured (traditional information kept in well-organized databases) and unstructured (information generated from emails and social media platforms such as Twitter, LinkedIn, Facebook and others) data repositories. These tools fall under the general heading of “Big Data,” in part because the inclusion of unstructured data provides an exponentially larger pool of resources from which to gather information. This point is important because of the proliferation of social media platforms today.

Traditionally, data is kept in well organized, relational databases. A good example includes the records employers keep for their employees from the day employees are hired. These records include things like the employee’s date of birth, the schools attended, home address, phone numbers, starting salary, next of kin, previous employment, and hobbies. Over time the records expand to include important information like the employee’s performance ratings, promotions, average salary, average pay increase percentage and more. This information is nicely structured and it provides employers with a plethora of information about the employee. However, today many employees also put a wealth of personal and professional information in social media sites such as Facebook and LinkedIn. Big Data techniques allow employers (for those employers who choose to utilize this information) among other things to also track general employee behavior from these unstructured data channels. For example, where employees go for vacation is sometimes freely available. Employers can determine if the employee engages in potentially dangerous activities while on vacation or just in general. One’s political affiliation and views are possibly readily available as well. Correlations can be made between the types of activities employees engage in and how far they progress through the corporate hierarchy. This is not to imply that employers engage in this type of seemingly nefarious activity, but this information is now generally available and easily accessed using Big Data predictive and analytical modeling techniques.

Companies that gain insights using Big Data can anticipate consumer needs by employing predictive modeling techniques as aforementioned. For instance, one U.S. retail giant used Big Data predictive modeling techniques to gain insight into snack purchasing habits. Coincident with the occurrence of a big storm resulting in a major power outage along the northeast coast of the United States, the consumption of Pop Tarts (particularly strawberry Pop Tarts) would rise. Armed with this information, the retailer stocks the shelves of grocery stores with extra Pop Tarts whenever a major storm looms in the area. Being privy to this kind of specialized insight can prove beneficial for both the retailer and consumer as the retailer can properly prepare to meet the needs of its consumers.

It is because of amazing advancements in technology like those found in Big Data analyses that business leaders look to technology to solve business problems. Although technology plays a very important role in helping businesses achieve success, there are three key challenges that leaders need to overcome to ensure a successful marriage between the business and the technology.

**First Challenge: Beyond the Technology Hype**

The first challenge many leaders face today is to avoid the “shoot first, aim later” approach to technology. Having the discipline to properly assess the value offering of the various technologies before deploying them can be difficult. Take for example the multitude of Business Process Management (BPM) tools...
available which promise great results. BPM allows companies to make their process workflows repeatable, measurable, flexible and adaptable in an ever-changing environment. By deploying BPM technologies, business workflows are said to be more effective and efficient. This leads to quantifiable cost savings which positively contribute to the company’s bottom line. To a certain degree, these improvements are, in fact, achieved. However, their results are sometimes superficial.

In order for BPM technology to work, the business must already have a sound core process in place to manage workflow as no amount of technology overlays will make an inefficient process more effective. For example, if a company has poor processes for onboarding new employees, then implementing BPM to make an already weak process repeatable is probably not a good idea. As such, business leaders have to avoid the temptation to deploy technology without first resolving core productivity and process issues.

**Second Challenge: Finding the Right Technology**

Once business leaders have looked beyond marketing promises, the next challenge is to select the right technology. Selecting the right technology is twofold. First, the technology chosen has to be appropriate for the problem the leader wishes to solve. In this case, it is important to have clearly defined requirements so that the technology, once chosen, meets the needs of the organization. Second, once the appropriate technology for the problem has been identified, the next challenge is one of implementation. The leader has to decide whether or not the technology is built in-house or purchased.

There are typically two primary options when it comes to the implementation of new technology. The first option is to have the internal IT team build the technology in-house. The second option is to purchase the technology off-the-shelf when available. In general, if off-the-shelf technology meets 80 percent or more of the needs of the business it is a good choice. Technical teams like to build technology from scratch; however, if a viable solution already exists on the market that meets the technical requirements of the IT organization from a security and infrastructure perspective, it is a better use of resources to use what is already available. In the case of BPM applications, it is in a company’s best interest to purchase a BPM tool rather than build it from the ground up. Customizations may still be needed, but these should be minimized as much as possible to avoid rendering the purchased technology obsolete as soon as it is implemented.

**Third Challenge: Technology Management**

Once the technology is deployed with good results, the third challenge for leaders is technology management. Organizations generally do not have the privilege of implementing “set it and forget it” technology. Technology is part of a business ecosystem that evolves and changes over time. It requires constant attention to ensure that it remains relevant. An organization’s willingness to invest the resources necessary to keep technology up-to-date will help the business continue to meet its needs, particularly in a dynamic environment. It is important to note that technology is not separate from the business strategy; it enables it. Separating the concept of technology from the overall business strategy is a common management failure. For example, one of package delivery giants in the U.S. decided that all the packages they ship would be tracked from point to point until the packages reach their final destinations. This allows customers to see exactly where their packages are throughout the whole shipping experience. The actual technology used to track the packages is fairly sophisticated, but rarely talked about because the strategy is to provide a better customer experience through the tracking of packages. Clearly, the leaders in this company did not separate the technology from the business strategy; they used technology to enable it.

**In Summary**

The question of whether or not technology is a boon or bane to businesses truly depends on how well business leaders address the three key challenges. The challenges are often intertwined and leaders must resist the urge to consider technology to be a panacea for the business obstacles they face. When leaders look to technology to solve business problems, they must ensure that they are able to skillfully navigate these three challenges. To maintain the benefit of implementing technology, leaders must allow sufficient time at the onset to ensure that technology meets the needs of the business, implement the right technology, and aggressively manage technology so that it changes with the business.

The most important step for the leader is to ensure that the technology chosen is truly based on the problem that needs to be resolved. Else, the organization may fall prey to implementing technology for technology sake. For example, Company A is using Big Data so the leaders in Company B believe that they must also use it. This is fine if Company B has a need for Big Data. If not, then they would be implementing Big Data for the sake of keeping up with Company A. How well leaders navigate through the three challenges will determine whether technology is a boon or bane for their business problems.