

Your Business is Changing. Are you?

by Steven E. Fitch

In "Competing for the Future," a 1994 book that has already become a classic, Gary Hamel & C.K. Prahalad apply uncanny vision to the convergence of IT and business strategy. In other words, they urge managers at all levels to think about vision, strategy and what it takes to stay ahead. For the purposes, of this article, let's apply this lesson to companies within technology sector. Although many of us view Microsoft as a software company, this view, is inaccurate. What about WebTV? MSNBC? PocketPC? Smart Phones? How many of us view IBM as a hardware company? Wrong again. IBM's largest business is focused on services. IT Managers need to face up to a new paradigm of vendor contact.

So what do we need to do? From a vendor relations standpoint, I suggest that a matrix be developed, identifying all the services that are used within your organization. Next, talk to all your vendors about what they are doing with technology. The results may surprise you and may result in much more value for your technology dollar. But remember, your company is subject to the same forces as are the vendors. Hamal and Prahalad make the case that many companies, through what they refer to as "disintermediation," are creating much more complex competitive landscapes. Take, for example, companies that sell music and news directly on the Web rather than through traditional TV or retail distribution. What does this mean? Everything! If we accept that IT companies are the "portal" for innovation when it comes to technological empowerment, then IT companies must understand the new terrain of competition. If, for example, you work for a product-focused company, you will need to begin planning for or, even better, enabling your firm to move into diversified niches, either through alliances with other companies or through innovative products and services.

You should start by thinking through where your company's products /services could be extended and map a technology strategy to get you there. Keep management connected to your vision. The potential companies to effect change in this environment is staggering. After all, it is IT that cuts across an entire organization. Look into the future and you may have an incredibly useful, perhaps profitable epiphany.

For more on developing technology strategies, view [Ask the Tech](#) for more information.