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Introduction

In this chapter I set out the motivation for the work in terms of the opportunities provided by IT and the continuing failure rate of IT projects. The chapter concludes with a brief introduction to the key themes of the book.

The paradox of IT: opportunities and failures

Innovation in IT is continuing at a rapid pace and will continue to provide new opportunities for organizations. IT has a critical role to play in the success of all sizes of organization, from the one-person start-up to the very largest:

*I really think that the way companies implement business processes, organizational change, and IT-driven innovation is what differentiates the leaders from the laggers. Rather than leveling the playing field, IT is actually leading to greater discrepancies. In most industries the top companies are pulling further away from the companies in the middle and the bottom of the competitive spectrum.* (Erik Brynjolfsson, MIT Sloan Management Review, Spring 2010)

One of the factors that sets apart the leaders is their ability to realize benefits from IT-enabled change.

The primary driver for my research which provides a foundation for this book, was the continuing failure of organizations to realize the full potential of investments in IT. This is seen in the continuing high failure rates of investments in IT in terms of benefits delivered,
which have stayed at around 70–80 per cent over the past 30 years (Eason, 1988; Clegg, 1997; BCS, 2004). Socio-technical approaches and benefits-driven approaches for IT have been available for over ten years (Avison et al., 1998; Mumford, 1995; Ward et al., 1996), but the lack of improvement in project-success rates suggests that they have had limited impact on how organizations approach IT investments in practice.

The research programme that underpins this book is seeking to gain insights into how organizations can develop the competences required to succeed in realizing the potential of investments in IT to deliver benefits to stakeholders and improve organizational performance. Appendix 1 provides an outline of the research projects that form the background to this book.

Key themes in outline

A ‘fourth era’ of IT is proposed (Ward and Peppard, 2002) based on the concept of an IS capability being the enabler of competitive advantage from IT; that is, sustained competitive advantage comes not from any one project or solution but from the ability continually to deliver solutions that provide a stream of temporary sources of advantage. Empirical studies (e.g. Santhanam and Hartono, 2003) have indicated a strong link between IT capability and firm performance, and suggest that there is an opportunity to get a sustained advantage.

The idea of an IS capability or ‘benefits realization capability’ is particularly relevant to the challenge of benefits realization from investments in IT, as it facilitates exploration of the organization as a whole and not just the IT function. In the book I provide a framework for this benefits realization capability and use the idea of ‘practices’ to contribute to the development of the capability in organizations.

A number of key themes are developed through the book as follows.

Benefits from IT come from people doing things differently, not from the technology itself; that is, benefits arise from how people use the technology and information. This means that realizing benefits from IT is an organization-wide issue, which requires leadership from all areas and levels of the organization. Previous work (e.g.
Benefits Management – Ward and Daniel, 2006) provides guidance on benefits-led approaches to IT investments.

IT investments are increasingly contributing to business innovation, resulting in new products, services and ways of working. In many cases projects require multidisciplinary teamwork. Benefits-led approaches must support these teams, enabling them to work together effectively in a wide range of situations. In many cases there will be a drive to innovate to create new sources of value rather than simply solving clear-cut problems to improve efficiency or effectiveness.

Successful completion of a benefits-led investment in IT is only the start of benefits realization. There must be a focus on benefits exploitation through the life of an IT system. This area has been neglected.

Benefits realization requires a focus on portfolio management and organizational perspectives as well as the management of individual projects. For example, ‘which projects should we invest in?’ is a key question, which has to be considered at a portfolio level.

There is a considerable gap between what we know about the value of benefits-led approaches and the extent of effective adoption of these approaches in organizations. A key challenge is overcoming this ‘knowing–doing’ gap. I tackle this from the perspective of developing an organizational capability for benefits realization. Developing the benefits realization capability is a strategic change programme, which involves changing attitudes and behaviour – not just the adoption of a new approach to projects.

The structure of the rest of the book

Chapter 2: Foundations

A brief introduction to previous work in the areas of benefits realization and IT capabilities establishes foundations for the rest of the book.

Chapter 3: Benefits Realization Capability

A framework of competences and practices for benefits realization.
Chapter 4: Insights into Current Adoption of Benefits-Driven Approaches

The chapter draws on 45 case studies to provide insights into the current adoption of benefits-driven approaches and to provide evidence of the value of the practices/competence approach.

Chapter 5: Succeeding with Benefits Realization

Results from an in-depth case study of an organization succeeding with benefits realization and developing the organizational benefits realization capability.

Chapter 6: The Challenges of Benefits Realization

Insights from a wide-ranging exploratory study to understand how business and IT managers perceived the challenges they faced in building the benefits realization capability of the organization. The chapter provides important context for exploring the action required to develop this benefits realization capability.

Chapter 7: Benefits Realization from the IT Portfolio

Many aspects of benefits realization relate to the IT portfolio rather than individual IT projects (e.g. which projects to invest in). The chapter provides a portfolio perspective on benefits realization competences and practices.

Chapter 8: Building the Capability – Breaking Out of the Catch-22

The chapter draws on several empirical projects to explore the barriers to the adoption of benefits-driven approaches, and how they can be overcome. It makes the case that developing a benefits realization capability within an organization is itself a benefits-driven change programme. So organizations are stuck in a catch-22: to succeed in developing the benefits realization capability, they already need the capability in place. The chapter sets out some ways forward.

Chapter 9: Big Picture

The chapter sets out our current view of the framework as it has evolved to date.
Chapter 10: Practices and the Development of Competences for Benefits Realization

The chapter includes a deeper look at how ‘practices’ contribute to organizational competences, drawing on the idea of patterns and making connections with ideas of knowledge management and organizational learning. It provides further insights into how organizations can approach the development of competences for benefits realization.

Chapter 11: Making a Difference – First Steps in a Change Programme

The chapter draws on an ongoing action research programme which is seeking to develop the benefits realization capability of a large organization (a Russell Group University). The chapter outlines the approach and the initial results to provide some starting points for other organizations.

Chapter 12: Reflections on Research Methods

I will keep the discussion of research methods very brief in earlier chapters and use this opportunity to reflect on the research approach and how it has evolved. The aim is to share lessons learned for others adopting a participative approach to case studies and action research. I draw in part on a recent conference paper where I explored the possibility of a more ‘agile’ approach to research.

Chapter 13: Looking Ahead – Implications and Opportunities

In the final chapter, I will set out the implications of the work for policy and practice and will set out future research directions.
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