

I WILL COMPUTE NO MORE FOREVER

Information Technology has always had a mythical dimension - the ever-beckoning blue sky over the horizon, wondrous new artefacts to create new worlds, new opportunities and new ways of living. The pace of invention has been so rapid that hardly had one artefact been launched than a newer and better one became available. The myth is infinite, the pace is furious, and the energy is awesome.

Following the IT myth, although not always equidistant to it, has been the reality - what you actually achieve with the artefacts you have acquired. With the reality has come some disappointment and disenchantment - all the dreams and aspirations were not delivered and those that were often cost more than was expected. But the myth could not be ignored and as the pace of actual invention and deployment continued to accelerate, organisations had to find ways of living with IT.

In the early days, organisations were hesitant in getting involved with computers. The computing myth was too demanding of easy comprehension, the cost was high, the returns were questionable and there were few people around to make them work. It was the heyday of the computer bureau when organisations sent out their work for computer processing. The jobs that went out were the big tedious jobs like payroll and accounting. Many organisations built their first computing relationships with the bureaux. The bureaux were the computing kindergartens.

In the late 1960s, usable computers became available in volume with enough software and trained manpower to make them practical business propositions. Organisations started to build in-house expertise in computing through recruitment and training and the 1970s saw the peak of mainframe and mini-computing. The 1960s-style out-sourcing had been replaced by in-sourcing and corporate computing departments often grew to be like kingdoms in their own right.

By the 1980s, the kingdoms were under revolutionary threat by the proletarian PCs and by the 1990s in-sourcing had turned full circle to out-sourcing but this time not only was the work out-sourced but also the people who did it. History had not quite repeated itself but one could be forgiven for concluding that perhaps computer processing is somewhat cyclical, and wondering when the next cycle will begin.

The IT out-sourcing phenomenon is quite interesting. Ask most industrialists to characterise the 1990s and they will say, without prompting, globalisation of markets, information

technology revolution and continuous change. Many will say that use of information technology is perceived as a critical success factor in their business. And then an ever increasing number will say that they have transferred all their IT staff to an independent service contractor.

If that seems incongruous perhaps one should reflect on how it has come about. One reason is that the IT benefits myth and the deliverables reality of in-house computing drifted too far apart, and in-house computing lost organisational support. Another reason perhaps is that the 1990s seem to be an era of de-construction where it is easier to segment than create, where the mechanics of dealing are more important than the skills of doing and where there are cod formulae to deal with any management situation.

Thus it is easy to do a value for money analysis on in-house computing and conclude that it should be quickly out-sourced. Reduced to a minimum, why is IT any different to plumbing? IT can easily be de-constructed and de-contextualised into formulaic services provision and thus easily market tested.

But how does that square with statements like, "IT impacts competitive performance" and "IT is at the heart of our global market." If IT usage is a key to competitive performance, and if continuous organisational change often IT-dependent is a pre-requisite for responding to and conquering global markets and if shifting national and international boundaries are impacting organisational roles and identities which are increasingly glued together by IT, how can IT be dis-integrated from organisations?

If IT is like plumbing, dis-integrating is unlikely to prove strategically problematical. On the other hand, if IT is an important component of the socio-technical systems that largely define or influence how an organisation works, behaves and reacts then dis-integration will pose some interesting challenges. At the heart of these may well be the differences between corporate social relationships and corporate contractual relationships and whether or not contractual relationships can assume a social dimension.

With in-house IT, IT staff are part of the organisational team, sharing a common mission, a vision of how it is to be achieved and a value system that inter alia defines the boundaries and context of the common endeavours. The social relationships within the organisation work within the context of the common goals and shared understandings. Departmental rivalries will exist but they should not detract from the common goals.

Professional IT staff in such an organisational setting would be deploying their skills and talents for the benefit of their employers - at the simplistic level, loyalty goes with the paycheck. If, however, the professional IT staff are employed by a services company, their loyalty is to the services company. The client organisation then has a problem - if instead of having IT staff of its own operating within corporate social relationships, it now has a contractual commercial relationship with a services company, who now employ the client organisation's former IT staff (who in turn may or may not be happy with the new arrangements), then how are the IT influences, inputs, experience, know-how, aspirations and thinking that it previously enjoyed replaced and how does IT remain part of the corporate culture?

There are a number of possible answers. An organisation could employ its own IT professionals to manage the contracts with the services companies and provide internal focus for IT. Additionally all staff could be IT-enabled with training so that not only could they operate existing systems but they could help create new ideas. Consultants could be employed to review old systems and recommend new systems against broad management statements of requirements. Whatever the answers there will be profound changes in organisational dynamics.

Most of the answers lead down the road of putting boundaries around production systems, out-sourcing them and handling innovation and change in some other way. Whether this kind of segmentation is cost-effective at organisation level where one measures growth, bottom-line, return on investment and future potential remains to be seen. Most of the focus to-date has been on the cost-effectiveness at DP budget level. Reducing overheads increases profits.

Bridging the know-how and experience gap between innovation and production is difficult in the context of an arms length service contract where the parties do not share common goals. Solving this problem is likely to demand considerable management ingenuity. It may lead to the cycle turning back towards in-house provision a decade or so from now.

Alternatively, there are those organisations who have taken the plumbing view of IT - out of sight, out of mind, don't call us, we will call you. They may be saying, to misquote Chief Joseph - "I will compute no more forever." Sadly, those organisations are certain not to survive. The IT myth lives on and everyone has to cope with the reality.

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