

THE HINDU Business Line

INTERNET EDITION

Financial Daily from THE HINDU group of publications

Wednesday, Mar 05, 2003

[Home](#)
[News](#)
[News Update](#)

[eWorld - Trends](#)
[Corporate - Information Technology](#)

Stories in this Section

[No leash for customer loyalty](#)

eWorld

[Columns](#)
[eWorld](#)
[Index](#)
[Archives](#)

Play Aladdin, not the genie

Amit Garg

Smart companies play the master, make technology work for them. The rest let the genie call the shots.

[As far as the eye can see](#)

[A whale of a chance](#)

[Showing the way](#)

[Time to get cracking](#)

[Do they talk to each other?](#)

[Catching the images](#)

[Installing himem.sys](#)

[Installing Office XP](#)

[Trouble using mail](#)

[Blank screen](#)

[Booting problem](#)

[Play Aladdin, not the genie](#)

[Cyber Quest](#)

[When the oracle speaks](#)

[Blended Trend!](#)

[Playing safe with power](#)

Features

[Investment World](#)
[eWorld Catalyst](#)
[Mentor](#)
[Life](#)
[Canvas](#)
[Praxis](#)
[Urban Pulse](#)
[Brand Quest](#)

Stocks

[Quotes](#)
[SE Diary](#)
[Scoreboard](#)
[Open-End Mutual Fund](#)

Port Info

[Ships in Ports](#)

Archives

[Yesterday](#)
[Datewise](#)
[Resources](#)

Group Sites

[The Hindu Business Line](#)
[The Sportstar Frontline](#)

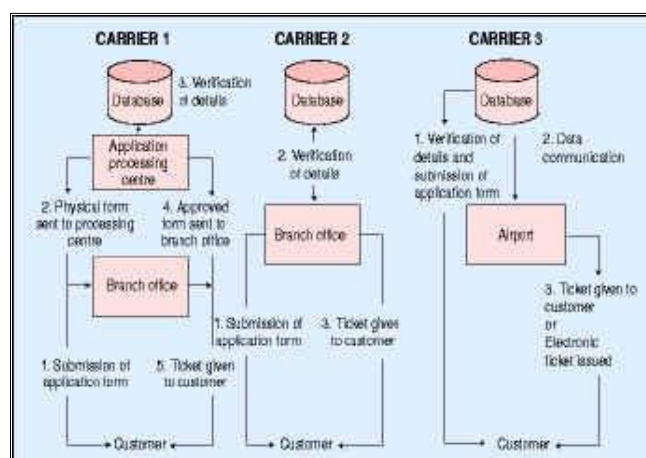


THERE used to be a time when the technology strategy of a company used to be determined by EDP managers and software consultants. Those were the times of stand-alone applications, limited choice and smaller budgets. Technology was more a tool to be used to enhance productivity — but it was hardly the basis for competitive advantage. Those times are now long gone. In an era where consumers have increasing choice, awareness and technical understanding, IT has become a critical cornerstone of corporate strategy. In order to grow and

develop a business, the ability to appreciate and use technology has to be disseminated down the lines.

Many Indian companies have recognised the value of doing so and have made IT an integral part of their business. In the banking sector, ICICI and HDFC have raced ahead of Public Sector Banks by a smart and integrated view of customers and technology. TVS Electronics and ITC are currently developing unique business models integrating the front and back ends of the supply chain. Jet Airways stands out for its customer service and use of IT. Even cinema theatres have got into the act and the progressive ones offer ticket booking through the Net.

A distinctive feature of the leading adopters of IT is their 'smartness' in integrating technology with business. Conversely, the poor adopters display a woeful inability to manage technology. Instead of being the masters, these companies seem to become slaves to the tool. Consider an example from the airlines industry where all carriers run frequent flier programmes. If you try to book tickets against these frequent flier miles, you are likely to come across one of the following processes (also refer diagram on page 3):



- Carrier 1 is a case where IT is meant to rotate around the organisation. In earlier days, the organisation had a central application-processing centre that vetted all requests. Post-computerisation, the department continues. Thus all forms have to be submitted to a branch office, forwarded to and processed by a central unit and returned to the branch before a ticket is issued to a customer. The process involves multiple handovers, a 10-day delivery period, and the risk of errors and inconvenience to the customer.
- Carrier 2 integrates the database with the local office. A customer thus has to go to the office, submit a form and get his ticket. This process involves lesser documentation, a 10-minute delivery cycle (barring queues) and a negligible error rate. The only inconvenience to the customer is that he has to go to the local office.
- Carrier 3, on the other hand (and this is not hypothetical) allows the customer to use the Net/or phone to make bookings and may even provide an electronic ticket to him — eliminating the office(s) completely.

The point is simple. The customer requirement is the same across carriers. However, Carrier 2 and 3 have thought about the process from the customer's standpoint and with a view to making it as cost-efficient as possible. Carrier 1 has tried to automate an existing manual process — causing higher inconvenience, time to deliver and manpower cost. I wouldn't be surprised if their IT spend is also higher than the others!

This is not an isolated example. In far too many organisations, technology plans are badly designed and only serve to increase costs. The gains realised are far too less. Depressingly, few IT companies have the capabilities or desire to help them.

It is time managers learnt how to use technology more effectively. Some simple steps could make this happen.

- Map the consumer experience process. Before even thinking about the technology, try being a customer of your company. Go through the consumer-experience process and map the points of dissatisfaction and areas where an improvement is possible. The opportunities for improvement will almost always involve (a) lower costs, (b) reduced transaction time, and (c) fewer errors.
- Map the organisation onto the process and identify the role played by different departments in the process. Critically assess the need for multiple handovers and try to eliminate them.

Try to minimise the number of layers faced by the customer.

- Develop a cross-functional working team that can highlight issues at an early stage and create buy-in.

However, the team should not contain members of an otherwise threatened department.

- Assess the current and future volume requirements of the business and factor these into the technology plan.

Maintain a reasonable volume estimate — one that should work for the next 4-5 years. Avoid the trap of overbuilding.

- Identify alternate technology options and evaluate them against your business requirements (instead of the other way round!)
- Develop a clear technology implementation roadmap along with a tracking system to ensure timely course corrections.

This seems like a simple list. However, many organisations rush into identifying technological options before thinking through the business requirements. Even fewer organisations bite the bullet and identify redundant departments.

Organisational buy-in is rarely ensured. Implementation overruns are taken for granted. Is it any surprise that consumers see no difference in the organisation?

Unfortunately, these experiences begin to scare managers from technology. That is not the answer.

IT is critical to success today, so the strategy must be

well-prepared and executed. Managers must develop an appreciation of technology and engineers must be able to understand business needs.

By teaming up, they can make technology work for the company.

The author is a Bangalore-based Management Consultant and can be reached at amtgrg@yahoo.com

Graphic: K. Balaa

[Article](#) [E-Mail](#) :: [Comment](#) :: [Syndication](#)

The Hindu Group: [Home](#) | [About Us](#) | [Copyright](#) | [Archives](#) | [Contacts](#) | [Subscription](#)
Group Sites: [The Hindu](#) | [Business Line](#) | [The Sportstar](#) | [Frontline](#) | [Home](#) |

Copyright © 2003, The Hindu Business Line. Reproduction or dissemination of the contents of this screen are expressly prohibited without the written consent of The Hindu Business Line
