Chapter 3
Understanding IT Acquisitions Preparedness:
Organizational Perspectives

ABSTRACT

It is generally experienced that every organization develops its own approach for IT acquisitions with varying degrees of emphasis on organizational priorities, systems, and technologies. Organizations involved in the IT acquisitions process pursue various perspectives depending on their strategy and implementation plans leading to varying degrees in IT preparedness. IT preparedness measurements may involve various stakeholders including employees and vendors. It is important to note that stakeholder preparedness is likely to vary in its intensity, but will eventually contribute to the overall organizational IT acquisition preparedness. In this chapter, these perspectives are discussed with a focus on IT as a form of technology acquisition, organizational processes, and quality improvement.

INTRODUCTION

IT acquisition is a complex phenomenon and organizations need to nurture their preparedness to manage this process. Ever since IT started to become essential and strategic assets in organizational practices, systems acquisitions have been a challenging and complex endeavor (Thomsen, 2010; John2010). It is also observed that IT acquisition needs to follow a sequence starting with preparedness exercises at the organizational level followed by systems and technology. Generally speaking, in the present scenario, organizations do not need to justify IT acquisition processes seriously as was being done in early stages of business computing. Total Cost of Ownership (TCO) was quite high in the initial stages of IT evolutions. During this period, cost of IT components vis-à-vis performance of business computing was a predominant factor for justifications in IT infrastructure investments. Contemporary business computing environment has been experiencing phenomenal growth in IT adoption because of low cost of computing and TCOs. Today, IT components have been intrinsically embedded in all the functional areas including production, accounting, costing, finance etc. Many IT products are developed in providing seamless interfaces among

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them to realize overall set goals in the organizations. Similarly, various frameworks are available that provide a structure to help property owners, managers, overseers and others determine and manage the TCO to best support their particular organization's overall business or mission (IFMA, 2011). Variants of these products include ERP, EIA, business modeling, simulations, scorecards and dashboards as discussed in chapter-1. Apart from this development, end user computing has also gained momentum to enable common user to use IT enabled services and develop own applications for better usability of IT without having formal exposures to computing, use IT

It is important to note that individual capabilities in using IT resources have grown manifold with great success. Common usability and usefulness of such capabilities are visible in mobile and Web services. However, similar success is yet to be achieved organizationally because of various issues interlinked with the IT infrastructure created for meeting strategic needs. It is quite mandatory for the organizations to ensure individual capabilities in contributing to the organizational goal. But overall organizational strategy needs to consider macro level issues which are beyond the purviews of individuals. Organizational resources in general and ICT infrastructure in particular, brings in challenging environment in which individuals, groups, departments, spatially dispersed and location specific entities under the organization structure perform to meet the common set goals. Technology acceptance is largely controlled by the possession of certain complementary resources that are difficult to acquire or copy, such as technological, human and marketing resources (Gómez and Vargas, 2012). Therefore, it is imperative for an organization to understand the implications of IT infrastructure acquisitions and stay prepared adequately to manage the acquired IT infrastructure effectively.

This chapter emphasizes on the preparedness of the organizations in managing IT infrastructure acquisitions and their life cycles. Organizations involved in IT acquisitions process have various perspectives depending on their strategy and implementation plans. In this chapter these perspectives are discussed with focus on IT as a form of technology, organizational processes and quality. Discussions on IT perspectives include scenarios in which generic approaches made by organizations in IT acquisitions, in terms of asymmetries, opportunities and internationalizations (Lewis, 2007; Madhok and Keyhani, 2012). Discussions present eight different scenarios of IT acquisition process is managed in the organization and discusses strengths, weaknesses and challenges in the acquisition process. These scenarios provide insights to various stages involved in IT acquisitions that an organization may adopt. It is also important to note that stages of IT acquisitions are different across organizations and strategic inputs direct the adoption stages. Each of the scenarios discussed provide insights to the rationale for having organizational preparedness.

In order to address the challenges that organizations face to stay prepared for successfully managing IT acquisitions, a framework is presented in the next section. The framework recognizes role of various stakeholders who engage in the IT acquisition process. Their preparedness in collaborating in various stages of the acquisition process is an important factor and the framework intends to capture, assess, and monitor in the IT acquisition life cycle of the organization. The preparedness assessment framework includes three important stakeholders in the process. These stakeholders are IT acquiring organization, IT service providers who decide the way in which IT acquisition needs to be managed and Users who form integral parts of organization and service providers. Preparedness of IT acquiring organization discusses various issues related to organization's ability to understand product, process and quality attributes to achieve desired performance. This needs articulation of clearly defined areas for which information systems can be developed and option for IT adoption can be examined. Besides,