

Book review

Creating Business Value with Information Technology: Challenges and Solutions, Namchul Shin, ed.

Information technology (IT) has the potential to revolutionize the way businesses do business and the way other organizations manage their daily and long term activities. The potential of IT to simplify business processes and make radical organizational changes is attractive to managers and users; however, not all IT investments deliver all they promise. Organizations deciding to invest in IT or trying to evaluate their current IT situation need access to the latest research and practice in assessing IT's business value. "Creating Business Value with Information Technology: Challenges and Solutions" offers insights into the most current research and practical applications used to determine and evaluate the benefits of information technology. Organizations of all types and sizes utilize information technology to improve business processes and performance, but not all IT initiatives prove to be successful. Professor Shin explains, "Firms invest in IT in order to improve their business performance. However, some firms fail to improve while others succeed. The overall benefits realized from IT vary enormously from firm to firm."

In order for IT investments to be successful, organizations must make other modifications to their practices and paradigms in order to optimize their IT endeavors. Professor Shin describes this process, "Computerization does not automatically create business value, although it is one essential component. Just as important are organizational changes such as new strategies, new business processes and new organizational assets."

As managers strive to understand how to be successful with their IT investments, they have to address some crucial questions such as: How do we measure our investment's success or failure and what can I do to ensure success. Professor Shin offers these recommendations, "The critical questions facing information systems managers is not only 'Does it pay off?' but also 'How can we best use IT and related technologies?' However, little is known about successful strategies for creating business value with IT, what characteristics of firms create more value from IT and what types of IT contribute to increase in business value."

Understanding how to make IT investments succeed is important, but understanding how to avoid failure through learning through the mistakes of others is equally important. Shin remarks, "Research on IT business value is valuable not only for academics, but also for practitioners, because knowledge obtained through this kind of research can provide managers with a more precise rationale for making IT investments. When IT initiatives fail, it is usually because they are not supported by business case and value propositions. Thus, research on this area should continue for the purpose of obtaining and sharing solutions toward the unsettled and challenging questions surrounding the relationship between IT and business value."

Every organization utilizes IT and IT offers great potential to organizations in streamlining business processes, developing electronic commerce initiatives or managing customer relations. IT investments are expensive and it is essential that organizations have a mechanism to evaluate the value of their IT programs. "Creating Business Value with Information Technology: Challenges and Solutions" examines the issues associated with creating and maintaining business value with IT. Specifically, the contributing

authors describe how to incorporate IT into a strategic plan, how to assess the productivity and performance impacts. Additionally, the chapters look at the use of technology in electronic commerce in large and small businesses.

About the Editor: Namchul Shin is Associate Professor of Information Systems at Pace University. He received his Ph.D. in MIS from the University of California at Irvine, M.B.A. from the University of Toledo, and B.A. from Seoul National University. His current research interests lie in the areas of IT business value, organizational and strategic impacts of IT, electronic business, and enterprise commerce management. He is an associate editor of *Journal of Electronic Commerce Research*.