

Chapter 10

E-Readiness in IT/ IS Implementation: A Benchmarking Analysis Based on 100 Case Studies

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EXECUTIVE SUMMARY

The value that information technology (IT) can bring to organizations is clear, and few will dispute its potential. However, the literature shows that worldwide, many of the organizations adopting IT fail to achieve the desired results and that sometimes, the cost of failure can far exceed the expected benefits. There are several reasons why IT projects fail to deliver. The study which is described in this chapter was conducted for the following reasons, all related to the level of readiness during IT Implementation: 1) Many organizations do not rely on IT just for reasons of efficiency, lowering cost, or for even improving productivity. Rather, their long-term existence depends on its successful use. 2) IT projects are often considered as high-risk projects. It is reported that as little as only 16% of IT projects were considered successful, mainly due to poor adoption practices. 3) Increased IT investments have not resulted in adequate returns. The return on investment has been consistently discouraging in terms of the gap between expectation and realization. 4) Studying the factors which lead to IT adoption is an important issue. Completing IT projects

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successfully the first time requires the identification and understanding of all the critical success factors.

This study is an attempt to bridge the gap in the existing literature by exploring the critical factors that affect IT adoption through a comprehensive benchmarking analysis, using secondary cases. The IT adoption in 100 organizations indicated in the literature, were scrutinized in all the cases analyzed in order to arrive at the most critical factors affecting IT adoption, as well as their degree of criticality. The study identifies twenty-four critical factors that must be carefully considered in IT adoption to attain successful outcomes.

INTRODUCTION

In a global organizational context, IT is no longer mainly confined to backroom operations (Dehning et al., 2005), it has risen beyond its traditional support role and now plays a central role in formulating business strategies (Chan, 1997). As Bob Martin, CEO of Wal-Mart's International Division, says, "At Wal-Mart and at many other companies, technology has become integrated with every aspect of the business" (Dehning et al., 2005). Nowadays, control and co-ordination would be impossible without IT.

The growth of IT has rapidly changed the features of business over the past decade. Dewett and Jones (2001) state that "the availability and use of information systems and technologies has grown almost to the point of being commodity-like in nature, becoming nearly as ubiquitous as labour". Various reports that this new revolution in the use of IT shows how significantly this technology is changing many aspects of today's business activities and numerous researchers believe these changes will accelerate over the coming years.

In order to maximize the benefits from investing in IT, organizations must understand how to manage their adoption process, the critical factors affecting their adoption and the benefits and obstacles which may emerge from IT adoption.

Since the mid-20th century, the world has been undergoing an IT revolution; as a result IT has extended itself into every corner of the world and every aspect of our individual lives. The impact of IT is reflected in the growth of the world economy, in the operation of civilized societies and organizations in general, as well as the lives of individual people (Awallmah, 2002).

However, IT adoption is challenging and risky (Kumar, 2002; Zee, 2002; Milis and Mercken, 2004; Rodriguez-Repiso et al., 2007). Thus, it is necessary for organizations to understand the critical factors of IT adoption, and studying such

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