Interviewer: Hello today we welcome to the studio Jeanne Ross. Jeanne is the director of the Center for Information Systems Research, welcome. Maybe you can start off by telling the audience what exactly the center’s mission is.

Jeanne: The Center for Information Systems Research, which we refer to as CISR is focused on understanding how companies get value from information technology. So we’ve been in existence since 1974, which makes us a rather mature center. And actually the thing that’s interesting about that is we’ve been studying this question of how companies get value from information technology for 35 years. And in some ways the issues don’t change. There are issues around leadership, around governance, around architecture, that have become more interesting as companies have become more IT dependent. But some of these issues are fairly lasting. So we’ve had companies that we’ve been working with for years and years on that topic.

Interviewer: Now when you say value, do you mean value in terms of more than just money?

Jeanne: Yes, although in the end because we’re talking about for-profit organization in most of our research, ultimately it has something to do with money. We’re talking about any kind of business value. So companies get value from information technology by implementing technology and reducing operating cost as a result. They also get value from information technology by implementing capabilities. So some companies are capable of electronic conversation we call them. Their internal data is so well designed and so accessible that customers and partners that have to do business with them can do so electronically with very little human intervention. And that kind of value, that reusable, we’re ready for the next opportunity that comes along is harder to measure and frankly harder to achieve, but very important in a digital economy.

Interviewer: Are there any companies that you’ve followed for the entire 30 some odd years?

Jeanne: I should explain we’re a sponsor-run organization. So we have 70 companies, almost all large companies, that fund our research in a consortium model. They pull their resources, we identify topics that are of interest to many of them, and then we do the research and share it with all of them.
Interviewer: For the folks that kind of think of computing and the first thing that comes to mind is personal computing and Apple, it doesn’t sound like this is what you’re talking about. It sounds like it’s more infrastructure, business computing, on that kind of level.

Jeanne: Yes, very much so. In fact, one of the issues that was fascinating to study in the ’90s was this personal computer that was being used in the business. And businesses were saying don’t use that word personal. This is not a personal computer, this is a business computer whose target is business profits. And we don’t want people to think of this as a personal computer because how then will you make sure to choose business objectives? And in all honesty this has continued to be an issue that we look to these individual machines for personal productivity but when you’re at a large organization, making sure personal productivity translates into business objectives is not an easy task. And that is part of what we help to study. So one of the topics we’ve studied for many years now is enterprise architecture. And the concept behind enterprise architecture is that you have all these machines, you have all these business processes, you have all these people doing things, how do you make sure they all come together and achieve business objectives that make you more competitive. And it won’t happen by accident. This takes real leadership, it takes a lot of clarity around what you’re trying to do with technology, and then it takes a commitment to make sure that you bring in technologies that are going to help you achieve what you want to achieve and not just spend a lot of money on IT. For a lot of companies there’s, it’s easy to spend money on IT. It’s much harder to make sure that that is making a difference in how effectively you do business. And that’s really what we’re trying to study.

Interviewer: Well it seems like from what you’re saying with the leadership and thinking long term that the center takes a, kind of a holistic approach to it. It’s about more than just the technology.

Jeanne: Very much so. And in fact in our sessions, we bring our sponsors to campus at least three times a year. And one thing we think we help them with is let them take a day away from the day to day “I’ve got to solve this next problem.” Let me sit back and reflect on what we’re doing in the organization, what’s going well, what’s not going well, what have we not been thinking about that we better be thinking about. And, you know, they are kind of persistent themes. They’ll start thinking about what they haven’t done in terms of developing their talent, what they haven’t done in terms of building tighter relationships with non-IT people. And I think it’s just a day or two in each case to think about that and hopefully go back and be reenergized to do things they knew they needed to do they just got distracted by many other things.

Interviewer: Now the issues that the center is looking at, do they tend to be more current and topical or are there, do you ever look into longer trends over time?

Jeanne: Actually why don’t I talk first about things we’ve done in the past that we find year after year after year people still say I need that. So one of the studies we started around 2000 was on IT governance. And that was around issues like what should we spend our money on, how do we make sure that everybody understands what our
standards are and lives within those standards, how do I identify when we need new standard, a lot of issues around just decision making. The idea that we decide who will decide things and then other people do it. So we started that in 2000 and we wrote a book in 2004. And it’s proved to be quite the groundbreaking book in IT governance. And as a result people came coming back to us and saying okay here’s my current governance issue. So we thought of it at the time as this temporary project and it’s now a lifelong pursuit as we try to understand governance. We’ve done this with enterprise architecture. We started talking about enterprise architecture when people though it was some little department in IT. Well over time we said, you know, this is about who you are and how you do things and it’s not about a little department. Certainly the world has come to see it that way so the book we wrote in 2006 has been an important book in terms of helping more and more people start to come up with an agreed upon definition of what enterprise architecture is and what you have to think about. So we don’t always know what will be the lasting issues but we are looking for lasting issues when we start our research projects.

Interviewer: Are there any common mistakes that organizations tend to make when trying to maximize their IT.

Jeanne: The most common mistake is that they kind of divide and conquer. So here are the 25 issues we have that technology could and should address. Actually 25 is a very low number, for the companies we study we’re talking more like a thousand, but you know, here’s all the things we like computers to do for us. And so their usual response would be, well let’s figure out how much money we should give to each function or business unit, or head of something, and let them decide what they want to do with it and then we’ll divvy up our resources and we’ll do all kinds of good things. And they often develop some kind of business case and say here will be the benefits for each one of these projects, which, if you’re good businessperson, you stop and say okay well let me just add that up. We’re going to invest 200 million dollars, we’re going to get 300 million dollars worth of value, this is good. But the reality is it doesn’t add that way. If you divide up your resources and you say okay we’re expecting 300 million dollars worth of return, it doesn’t accumulate because you just divided everything up, things change in the business, some of these things overlap, and the real benefits don’t accrue that way. So what we try to help organizations do is take a more holistic view of what the organization is trying to do, zero in on what’s not changing. There’s a tendency to say well what’s changing, I’ll get technology to address it. Things that are changing are actually bad candidates for IT. You take the things that aren’t changing, why are those in? And then you have something lasting that has benefit year after year after year and you can do little experiments with the new things that are happening.

Interviewer: Wow, well this has been really interesting. It even makes you think as a consumer the stuff that’s going on behind the scenes of the companies you deal with every day and all the complexity that goes into, you know, the systems that they create that help you as a customer.

Jeanne: Yes, I must admit at cocktail parties when people ask me what I do for a living
and I explain I study IT management, they often resort to, “oh I have an Apple, did you know about this great application?” And actually I never know about the latest and greatest Apple application. But if we have a little time we can certainly get into the interesting ways in which we as consumers are affected every day by how well these companies know how to use information technology.