

MESSAGE FROM SIM

I see the theme of this issue to be IT as an enabler of competitive advantage. Those of us that have been in the field of IT management for some time now have not forgotten Warren McFarlan's landmark HBR article, "Information Technology Changes the Way You Compete", published in June 1984, followed by Michael Porter's article "How Information Gives You Competitive Advantage" in August 1985. Warren's strategic grid and Michael's value chain models have clearly stood the test of time. And yet, naysayers continue to pop up saying that IT can't provide sustainable competitive advantage and has become passé.

The three case studies in this issue are proof positive that IT enabled competitive advantage is alive and well. Each has shown significant gains without requiring significant scale.

Enterprise Rent-A-Car has been on a 10-year journey that assures them dominant market share in the local home/city market. They have done so through information technology-driven relationships with insurance carriers and auto body shops.

Continental Airlines has also been on a 10-year quest from "worst to first" and then "first to favorite" through a relatively modest investment in data warehouse and business intelligence that builds and retains customer loyalty.

METRO Group has worked with over 50 partners to create the supermarket of the future utilizing breakthrough technologies such as RFID and visualization to make the retail experience fascinating and enjoyable for consumers.

While all three cases provide strong evidence that information technology still serves as a competitive weapon, their success remains grounded upon the principles of knowing your consumer, knowing your business partners, and creating win-win relationships.

The fourth article on information privacy and its management gives us fair warning that information used for competitive advantage to the detriment of the consumer or business partners will ultimately fail because it breaks the bonds of trust. While tempting to use consumer data for secondary and profiling purposes, Professor Smith provides much anecdotal evidence

that these schemes backfire even if legal and borderline ethical.

Sustainable competitive advantage is achieved when companies have a culture of market awareness, innovative offerings, motivated employees, and mutual respect for consumers and partners. While an investment in IT alone rarely yields competitive advantage, well planned and executed IT investments clearly enable these cultural strengths to prevail.

It has been my pleasure to serve as SIM's senior editor of MISQE for the past three years. MISQE has now produced 32 articles on topics of great interest to IT leadership. SIM is proud to have played a part in MISQE's inception and looks forward to a long-standing partnership that brings academic relevance, rigor, and readability to the IT practitioner.



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