

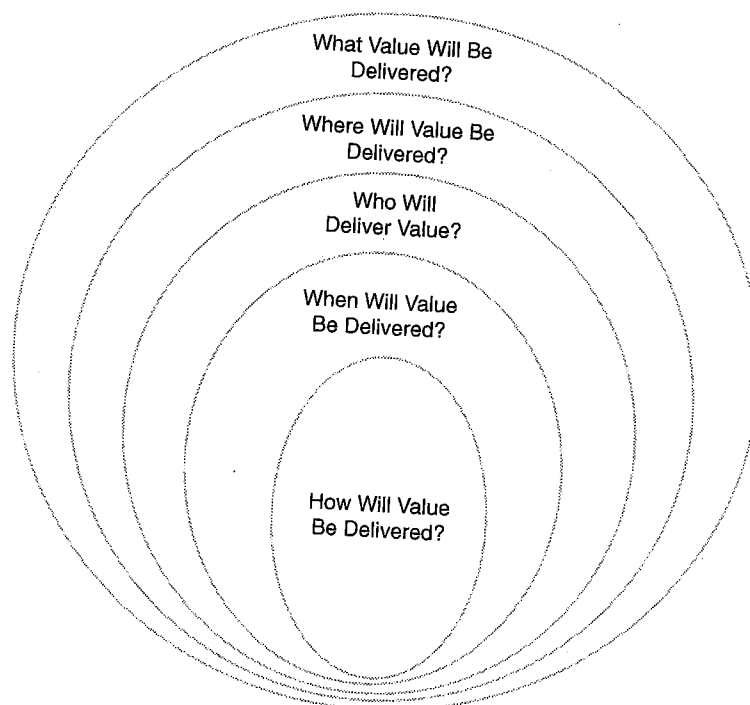


FIGURE 1.1 IT Value Is a Many-Layered Concept

among business managers themselves can lead to feelings that value has not been delivered. Therefore, a prerequisite of any IT value proposition is that everyone involved in an IT initiative agree on what value they are trying to deliver and how they will recognize it.

Where Is IT Value?

Value may also vary according to where one looks for it (Davern and Kauffman 2000). For example, value to an enterprise may not be perceived as value in a work group or by an individual. In fact, delivering value at one level in an organization may actually conflict with optimizing value at another level. Decisions about IT value are often made to optimize firm or business process value, even if they cause difficulties for business units or individuals. As one manager explained, "At the senior levels, our bottom-line drivers of value are cost savings, cash flow, customer satisfaction, and revenue. These are not always visible at the lower levels of the organization." Failure to consider value implications at all levels can lead to a value proposition that is counterproductive and may not deliver the value that is anticipated. Many executives take a hard line with these value conflicts. However, it is far more desirable to aim for value that is not a win-lose proposition but is a win-win at all levels. This can leverage overall value many times over (Chan 2000).