

## **CVCR Spring 2009 Symposium**

### **BREAKOUT SESSION**

#### **Technology Investment: is it now the time?**

Moderated by Dr. Yuliang "Oliver" Yao  
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1. Can technology investment provide firms with competitive advantage?
  - a. Through this question, we were trying to lay the groundwork on the value of technology investment. It has been argued that technology, especially information technology, is being commoditized and has become ubiquitous so it no longer provides competitive advantages. We compared technology today to railroad and electricity in the past, both of which provided firms with a competitive advantage for a certain period of time and then were commoditized.
  - b. The takeaway from this discussion is that technology should be company specific and should be accompanied with appropriate processes and soft skills such as the right people and the right organizational structures.
2. In a difficult time like today, when companies face budget constraints, what technology should they invest in if they have to prioritize?
  - a. We discussed a few cases such as ERP implementation at Air Products, B Braun, and CRM at Harrah's on how they have been making their decisions.
  - b. The takeaway is that the priority at this time should be given to those areas that fit well with companies' core competency. For example, customer relationship management is the core competency of Harrah's.
3. Given the difficult time, what type of technology should companies to invest in?
  - a. We divided the technology into two categories: defensive vs. offensive technologies. Defensive technology refers to the technology that a company has to have in order to survive. For example, ERP systems in today's world have almost become the norm and are a type of defensive technology. A

participant mentioned that his company is investing four million dollars in upgrading its ERP system. Offensive technology refers to the technology that is ahead of the curve. This type of technology has a higher risk of being unsuccessful, but once it becomes a success it will give companies a significant competitive advantage. An example is RFID.

- b. The takeaway from this discussion is that companies should stay defensive, rather than offensive, at this point of time.