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Technology in Business Undervalued but Promising

By Justin Varilek

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Only 54 percent of Russian and Eastern European executives responsible for information technology believe that investments in technology facilitate decision making, according to an Economist Intelligence Unit report released Tuesday.

That figure compares to 74 percent of chief information officers, or CIOs, of a broader sampling of 508 companies in Europe, the Middle East and Africa, who see business value resulting from their IT investments.

"Why invest in IT, if it doesn't actually streamline business?" said Alexander Mikoyan, general manager of Hewlett-Packard Russia, which sponsored the research. "That is what it is supposed to do."

Underscoring the current low level of information technology use in Russian, Ukrainian and Kazakh companies and the potential for the future, the 2011 IBM Global CIO Study shows

that 81 percent of CIOs in those countries believe that business process management — integrating tools and programs to make operations more efficient — is one of the most important visionary elements for their company.

The results of the Economist study could indicate a disconnect between managers and IT specialists, Mikoyan said.

According to the study, senior management in Russia lagged behind its global peers, with 41 percent of Eastern European and Russian executives possessing good or excellent knowledge of technology, as compared with 51 percent of their counterparts in Europe.

Denis McCauley, the Economist Intelligence Unit's director for global technology research who edited the report, said technology specialists should be provided with equal amounts of business and technical education to help eliminate problems.

"The CIO is becoming less about IT," he said. Now the role is about "how to conduct business analysis, communicate with customers, nontechnical colleagues and peers to help convince them that IT has great potential and value."

McCauley said there is a growing trend in Europe of CIOs being appointed who didn't come up through the ranks of IT departments.

HP's Mikoyan said the IT community must learn "how to talk business" by translating their arguments into the language of money to convince their CEOs and financial executives of the cost-saving benefits of IT solutions. MBA-educated management should meet the IT specialists halfway and attain some technology experience, he said.

Though the tactical picture seems to show a rift, the IBM research indicates that managers' views coincide on what should happen next. Technology- and business-oriented executives tend to envision the future of their companies in similar ways, said Andrei Tikhonov, sales director for IBM Russia and CIS.

"As CIOs share their take on business development," Tikhonov said, "a significant number of CEOs consider implementing innovative technologies, e.g. business process management solutions, a priority."

The main issue, Tikhonov said, is that the implementation of advanced business technologies, such as cloud computing, is still at an early stage in Russia.

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