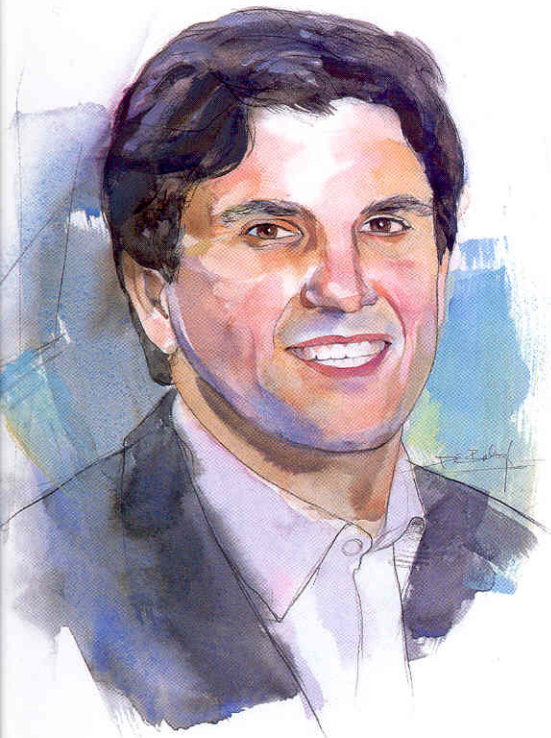


# THE TECH TRANSFORMATION

*Technology enables change, encourages growth and strengthens strategy.*



Over the past few decades, we have seen technological advances dramatically transform businesses and reshape industries. And the speed of change continues to accelerate. Enhancements in computing power, proliferation of networks, and the widespread adoption and use of new devices that connect with “always on” computers, smart phones, iPods, video set-top boxes and remote sensors affect the ways companies must view technological developments and the critical operational role that technology plays.

It is essential to recognize that technology, beyond improving business operations, has become a key element of overall business strategy. CEOs who embrace technology as

a critical strategic foundation of their businesses can change industry dynamics and leapfrog competitors.

The shift began as all things tech migrated from the back office to the center of operations. The tool once used to manage business processes such as accounting, procurement and human resources has become fundamental to delivering nearly every product and service across all industries. Training, manufacturing, marketing, distribution, R&D, sales and customer service are being transformed, sometimes radically, by applied technologies. When the entire supply chain is tech based, chief technology officers must look beyond systems, networks and integration. They must focus on strategy.

To understand how technology can thoroughly transform an industry, look no further than advertising. In shifting from print and TV ads to Internet advertising, companies are learning more about their target audiences through online purchases, mouse clicks and key word searches in various search engines. Companies are finding that they can strengthen the impact of their brands, their products and their marketing messages by focusing on audiences they know to be receptive. Rather than relying on broad dissemination of information — a TV spot you hope is seen by an audience that you hope cares about your message — online advertising has enabled more direct and personalized relationship building with customers. Creating electronic-based direct links to consumers is the most radical reshaping of the marketing world we’ve seen since the advent of advertising itself.

For management the hybridization of sales, delivery and technology functions requires new skill sets. Executives must be more knowledgeable about technology, even if they do not operate in the tech sector. While tomorrow’s business schools may routinely provide general technology training, today’s executives should receive regular briefings from senior advisers, engage consultants, read voraciously, attend conferences and seek out partners who can provide technology expertise. Even today’s presidential candidates have identified tech strategy and its implementation as one of the most important aspects of a successful campaign. The need for technological literacy will only intensify as globalization advances, competition intensifies, business evolves and technology improves.

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We can expect the most significant challenges for business leaders in the next 25 years to hinge on managing two things: technology and human capital. Elevate the role of technology in your overall business strategy, stay current with applied technology tools, create an environment to attract and retain tech-savvy talent, and continue to look for ways that technology can change the game. As you do this, you will position your organization to compete today while preparing for future change. ■

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